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Southeast Asia Report



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23 January 1986

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AUSTRALIA

GROUPS CONCERNED OVER U.S. FARM BILL

EK310539 Melbourne Overseas Service in English 0430 GMT 31 Dec 85

[Text] Reaction to recent United States legislation subsidizing rural exports continues to grow in Australia with several primary industry organizations expressing their concerns. The Australian Meat and Livestock Corporation says it is highly disturbed at the prospect of the United States dumping 90,000 tons of beef on the world market. The corporation's managing director, Mr Peter Frawley, says the corporation has already begun an intensive lobbying campaign in America and has urged the Australian Government to put all the pressure it can on the Reagan administration.

He says that by joining the European Economic Community in subsidizing beef exports, the United States was showing a [word indistinct] disregard for countries like Australia which did not subsidize.

In the grain industry, The Australian Wheat Growers Association says the industry must increase its marketing and promotion to counter the threat of the United States farm legislation. The spokesman said that with aggressive marketing, the industry could meet the challenge of the American legislation head-on. The spokesman said it would be America which will hurt most in an event of a grain trade war.

However, the president of the Livestock and Grain Producers Association, Mr (Michael Tooth), thinks the gloomy wheat market prospects could lead to less wheat and other grains being produced in marginal areas. Mr (Tooth) said the Australian Government would have to review its policies or risk more protests similar to yesterday's dumping of 25 tons of wheat in front of Parliament House in Canberra.

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CSO: 4200/489

AUSTRALIA

LOSSES IN WHEAT HARVEST REPORTED

North Richmond THE LAND in English 12 Dec 85 p 3

[Article by Andrew Marshall]

[Text] The three-week deluge of rain across the NSW grain belt is expected to cost farmers at least \$100 million with two million tonnes of grain likely to be downgraded to feed wheat.

Two-thirds of the \$1000 million NSW wheat crop is caught in paddocks as the big wet continues to keep the harvest at a standstill.

Widespread rain at the weekend--as much as 50mm in many grain belt districts--torpedoed hopes of farmers and Australian Wheat Board officials.

More rain before Christmas would further leach the quality from the 6.1 million tonne crop lopping a further \$100 million from farmers' returns according to the NSW Livestock and Grain Producers Association.

The LGPA executive officer (grains), Mr Don Wilkinson, said half of the remaining 4.5 million tonnes still in the paddock had been downgraded to feed value, losing at least \$45 a tonne.

If the grain is downgraded to general purpose, the loss is \$24 a tonne below ASW.

The Australian Wheat Board has already paid NSW farmers more than \$122 million for about one million of the 1.7 million tonnes delivered so far.

The board's senior manager, accounting, Mr John Freeburn said \$500 million had been paid to farmers Australia wide with more than \$170 million to Queensland farmers for 1.4 million tonnes delivered with another 500,000 tonnes to be delivered.

Mr Freeburn said the computer system of payment was functioning extremely well with 80 percent of growers receiving payment within 14 days of delivery and 98pc within 21 days.

But the repeated thunderstorms and unseasonably high humidity levels have bogged the harvest in the midst of what normally is the season's frantic peak delivery period.

Just 30pc of the NSW wheat crop had been delivered to the NSW Grain Handling Authority by the start of this week.

In southern NSW, 4000 tonnes of wheat trickled into silos on last Friday, Saturday and Sunday, compared to daily deliveries of 100,000 tonnes normally at this time of the year.

In mid-October, the GHA had budgeted for a 1.7 million tonne harvest in the north, 2.4 million tonnes in the Central West and 1.8 million tonnes in southern NSW.

But to date, 812,000 tonnes has been received in the north, 731,000 tonnes in the central west and 139,000 tonnes in the south.

Special cereals agronomist at Gunnedah, Mr Tony Dale, said northern farmers could give up any hopes of making prime hard or northern hard One (NHI) grade deliveries to silos when they finally got back into their crops.

"Many will be happy to get NH2 because there will be big tonnages of general purpose and feed wheat coming in," Mr Dale said.

The north was hit by more rain and hail early on Monday, on top of 25mm recordings around Gunnedah, Tamworth, Moree and Narrabri last week.

Maules Creek farmer, Mr Stuart McMaster, "Violet Downs", has had just seven days on his header since he began stripping his 1941ha wheat crop on November 20.

"We've been getting shot and sprung grain since we started so the last 10 days of rain does not give us much chance at all."

Further west at Burren Junction, farmers needed almost a week of dry weather before they could get heavy harvesting equipment onto crops.

Many had not yet been given a chance to start harvesting, according to Mr Bill Moore, "Nowley". He has recorded 110mm in the last week and has a 364ha crop to strip.

Savage hail damage has combined with the persistent rain to devastate southern crops around Barellan, Griffith and West Wyalong.

Merriwagga farmer, Mr John Moore, is claiming a \$130,000 insurance payout after hail ripped through 1000ha of wheat "like a lawnmower" last week.

In 20 minutes grain was pulverised, pine trees were stripped of leaves and bark, and cars, buildings and machinery were smashed by golf-ball sized stones.

About 1600ha of Mr Moore's wheat escaped the random southern hail storms but this was now downgraded to general prupose quality because of 125mm rain since early November.

Leeton farmers predict up to 75pc of the district crop will siump to the feed wheat grade.

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CSO: 4200/493

AUSTRALIA

WHEAT BOARD CHIEFS HIT U.S. EXPORT PROGRAM

North Richmond THE LAND in English 12 Dec 85 p 6

[Text] Wheat Board chiefs have lashed out angrily at the United States Government's export enhancement program following a \$1.32 million loss in revenue to Australian wheat growers.

That is the amount by which the Wheat Board had to lower its prices to sell 50,000 tonnes of wheat to the Yemen Arab Republic to compete with subsidised US grain.

As a result of the US attempts to sell subsidised wheat, the Wheat Board has backed Australian Government protests to Washington about US subsidised wheat exports.

Board chairman. Sir Leslie Price, has levelled a stinging attack at US grain policies.

Sir Leslie said the US move again illustrated how loosely the Americans interpreted their own "anti-EEC" trade plans when implementing their billion dollar so-called Export Enhancement Program (EEP).

"This program is rapidly becoming an open attack on Australia's major customers and precious little to do with attacking the EEC."

Sir Leslie said the EEC had sold wheat flour to Yemen but the flour market was always considered as separate to that for wheat grain.

"The Yemen wheat grain market is virtually supplied by Australia and had been for many years." he said.

Australian wheat sales to Yemen have steadily increased with the continued expansion of the Yemen market including 350,000 tonnes in 1984, 380,000 tonnes in 1985 and an expected 400,000 tonnes in 1986.

"The only other major seller of wheat grain to Yemen was the US in 1982-83 when Yemen bought wheat under the US blended credit scheme" Sir Leslie said.

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CSO: 4200/493

AUSTRALIA

FARMERS' PAPER WARNS ON ECONOMY

North Richmond THE LAND in English 14 Nov 85 p 8

[Editorial: "Danger Signals"]

[Text]

NEITHER the Federal Government nor the trade union movement can afford to ignore the danger signals coming from the foreign exchange markets.

This week's further slump in the value of the Australian dollar, following the release on Tuesday of the latest balance of trade figures, leaves no doubt that the Government's economic strategy has gone sadly awry.

The world has passed judgment by devaluing the Australian dollar to a level which, while temporarily advantageous for farmers and other primary product exporters, nevertheless betokens a very sick economy.

When, as is now the case, it takes 20 cents of every export dollar earned, just to meet interest payments on overseas borrowings, it is surely time for some serious economic self-appraisal.

No-one expected the October balance of trade figures to show a spectacular recovery in Australia's position, but few observers expected them to be so sick either. A record trade deficit of \$1641 million should jolt even our sanguine Federal Treasurer.

What is particularly disturbing about the latest balance of trade figures is the evidence they provide of the economic polarisation process taking place within Australian society.

For instance, statistics reveal that during the September quarter, Australian imports of motor vehicles (predominantly European luxury motor cars) nearly doubled from \$211 million in 1984 to a massive \$403 million this year.

During the same period, imports of alcoholic beverages rose from \$30 million to \$54.3 million and imports of luxury fish foods, such as caviar and crustaceans, from \$49 million to \$68 million.

It would be fair to suggest that a minuscule proportion of these commodities would have found their way on to Australian farms, where

the export dollars needed to finance these extravagances are being generated.

Instead, these luxury imports are being bought in the main by wage and salary earners, and self-employed professionals in urban areas, where the average citizen is blissfully oblivious to the parlous state of the Australian economy. Indeed, he has been lulled into this situation by the hollow assurances uttered by successive prime ministers.

This economic polarisation process can only be exacerbated by the continued slide of the Australian dollar. The Government will be forced (in the short term, at least) to lift interest rates in an attempt to hold the value of the dollar, further lining the pockets of the "haves" at the expense of the "have-nots".

Quite clearly, the latest crash of the dollar should provide all the evidence needed that the prices and incomes accord — the cornerstone of the Government's economic strategy — has had its day.

No longer can the beleaguered productive sectors of the Australian economy continue to foot the bill for the scandalously high standard of living enjoyed by so many wage and salary earners.

The dollar slump should also be taken as a vote of "no confidence" in the proposed tax changes, which further disadvantage the farm and business sectors, and in Labor's profligate attitude to public spending.

In short, the country must tighten its belt and face up to the fact that economic survival in the present international climate will require sacrifice on the part of all Australians.

It is up to the Government — and the Prime Minister in particular — to spell out this unpalatable truth to the union movement and to the population at large.

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CSO: 4200/493

AUSTRALIA

GOVERNMENT HAILS DEVELOPERS AGREEMENT TO RESIST BLF

Sydney THE AUSTRALIAN in English 19 Dec 85 p 5

[Article by Paul Austin: "Govt hails 'last nail in BLF coffin'"]

[Text]

TWO of the country's biggest building developers have signed a code of conduct which will further isolate the Builders Labourers Federation (BLF) in a move described by triumphant Federal Government officials as "virtually the last nail in the coffin" for the rogue union.

The Victorian Government hailed last night the decision by the two developers, Mr Bruno Grollo of the Grollo Group of companies, and Mr George Herscu of Hooker Corporation, as the most significant victory yet in the war against the BLF.

Under the code, Mr Grollo and Mr Herscu - who were previously regarded as being sympathetic towards the BLF and its federal secretary, Norm Gallagher - have pledged that their companies and all sub-contractors engaged by them will:

RESIST union claims for a 35-hour week, strike pay or a flow-on to members of the 2.8 per cent national wage rise.

NOT pay BLF members more than agreed award wages or "cash-in-hand" payments.

REFUSE to deal with the union and its members if or when it is deregistered.

The Victorian State Minister for Industrial Affairs, Mr Crabb, said the "landmark signings" meant the BLF was now fighting "a very formidable alliance" consisting of the federal, Victorian and NSW governments, the ACTU, the Master Builders Association (MBA) and developers.

Mr Grollo signed the Victorian Government's building industry code of conduct on Tuesday after a similar commitment given to the Federal Government by Mr Herscu on Monday.

It is believed the two employers had been reluctant to sign for fear of retaliation, but agreed to publicly side with the governments after receiving assurances that all government bans and embargoes would be lifted immediately.

Federal Cabinet blacklisted in September 10 companies, including those owned by Mr Grollo and Mr Herscu, for allegedly caving in to BLF demands outside the national wage-fixing guidelines.

As part of the action, the Federal Government told the Grollo Group it would renege on an undertaking to rent 22 storerooms of the group's Rialto Building in Melbourne, a move which would have cost Grollo more than \$4.5 million in lost rent.

Mr Crabb said yesterday all bans and embargoes on the

two groups would now be lifted.

"They have quite genuinely decided that they're better off on our side than Gallagher's side," he said.

He predicted the signings would have a snowballing effect and that all developers in Victoria would sign the code of conduct before Christmas.

"If we're left with a developer or two intent on providing succour for Gallagher then they will find that they've got extraordinary difficulties in most areas of their activities."

Developers were now convinced that the governments were "fair dinkum". A united front against the union would ensure it was outlawed.

The decision by Mr Grollo and Mr Herscu to sign the code is significant because they are regarded as industry leaders and have been closely associated with the BLF.

Both were placed on bonds in March after pleading to guilty to charges of having paid Gallagher secret commissions while the union was working on their sites.

Gallagher was sentenced by the Victorian County Court in June to four years and three months in jail after being found guilty on 20 counts of having accepted secret commissions. The conviction was quashed on appeal and he is awaiting a re-trial.

When the Federal Government announced that it had blacklisted Mr Grollo, about 1000 BLP members walked off Melbourne building sites and marched on Parliament House in protest.

Mr Crabb said last night that federal deregistration proceedings against the BLP, now before the Arbitration Commission, were expected to end by March next year.

He predicted the union would be outlawed, "very soon after that".

Gallagher claimed in an interview with the left-winger Mr Bill Bartley on Melbourne radio station 3CR early this month that major building developers, including the Grollo Group, were "keeping right out" of the war against the BLP and had paid the 3.8 per cent wage rise to BLP members.

"They don't want to get involved," Gallagher said.

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CSO: 4200/493

AUSTRALIA

ARTICLE ON JAPANESE PURCHASING OF LOCAL TUNA

Sydney THE AUSTRALIA in English 14-15 Dec 85 p 3

[Article by Anthony Hoy]

[Text]

MR Kazuaki Shimura, an auctioneer from Tokyo's central market, waits anxiously on the dock each day, hacksaw in hand, to greet the Santa Maria and assorted other tuna flagships of the Ulladulla fishing fleet on the NSW south coast.

Mr Shimura and his employers, Daito Gyomu K. K., have with a fistful of Japanese yen elbowed their way to the front of a fish-starved world queue for the sole remaining bright hope of the Australian coastal fishing industry - the surprisingly plentiful supply of big eye and yellowfin tuna.

After dissecting the tail of each fish, searching for rosy red pigmentation and high fat content with sweetness and flavour, Shimura dispatches the pick of the daily catch to Tokyo, where within 36 hours buyers in their hundreds jostle each other to pay \$50 a kilogram - and as much as \$5000 for a big Ulladulla specimen. If Japan cannot itself fish for the prizes of the Australian continental shelf, it is determined to harvest the same crop in an economic sense.

Mr Shimura's rejects are unloaded on to the less discerning palate of US markets such as Honolulu.

Sashimi

In a matter of only 12 months Ulladulla fish have become the most sought-after in the world for the Japanese raw fish fetish, sashimi.

The co-operative of the small NSW south coast town has shot from relative obscurity to become Australia's biggest exporter of chilled fish, with a \$2.25 million harvest in 1984-85. It has outstripped its Taiwanese and even its Japanese competitors - both of whom lose points for quality by storing their fish for months at a time in refrigerated holds at sea.

Mr Shimura lunches each day with his Anglo-Italian friend, Mr Joe Greco. As secretary-manager of the Ulladulla Fishing Co-operative, Mr Greco has problems of a different kind from those of his rich friend in the battle to meet the demands of the Tokyo central market, the largest for sea produce in the world.

Mr Greco, a committee member of the South East Trawlermen's Association and an observer on the committee of the East Coast Longliners Association, has taken on the role of the Australian guardian of this tuna jewel of the sea.

"Anything being fished commercially in Australia is over-exploited," he says. "Our inshore fisheries are being worked to an absolute maximum. All species on the continental shelf are on the decline. That's why we want the brakes put on fishing for sashimi."

Just as Mr Shimura protects Ulladulla's big eye and yellowfin tuna from the increasing

advances of other sashimi-laucing markets, Mr Greco protects it from the hordes of marauding trawler fleet operators who ply the edge of the Ulladulla waters, longing for a slice of the action, eager to bail up their sixm-long twine lines of tuna hooks.

The would-be intruders have been held at bay by a warning from the Australian Fisheries Service of a pending management plan for the east coast tuna fishery. The Ulladulla fleet is determined that the big eye and yellowfin will not go the way of their southern bluefin cousin - into the nets of interstate marauders in such numbers that they can no longer run the long line gauntlet to the east coast waters. Last year's NSW catch of southern bluefin was only 118 tonnes of an Australian total of 13,500 tonnes.

The "sashimi thing" has the burly, tough Ulladulla fishermen somewhat bemused. So particular are the Japanese about the handling of sashimi fish that it has these big men treating their catches with uncharacteristic gentleness.

Their fishing is now more of the nature of a precision surgical operation. Before each fish is individually packed in a \$30 cardboard "coffin" it is washed and rewashed inside

and out, packed and re-packed with ice - even before reaching port - to prevent the slightest deterioration.

The slightest mistake - ice "burning" of the flesh or overheating on the line - can affect flesh taste and texture, and mean the difference between thousands of dollars on the Japanese market.

This is the way the Australian fishing industry has to go to maintain its fortunes. With trawl fish - trevally, sea bream, schnapper, garfish, kingfish, flathead, dhufish and other more popular species of seafood fare - it has virtually fished itself into oblivion.

There are 25 to 30 long-line ships working out of Ulladulla, and there are fleets based in those same waters at Greenwell Point south of Nowra and at Bermagui. "All the workable fishing ground on the east coast is being overfished."

The continental shelf is very narrow - only 32km in places off Ulladulla. A handful of long lines leaves no room for anybody to move. Tempers run hot. "In years gone by we had good trawl catches of flathead and mowong. Now they are only caught in traps off the reef."

The industry has had to turn to species such as the royal red deep sea prawn, in past years considered to be commercially unacceptable. This species quickly develops blackspot when taken from the water, making it delicate to handle.

It is the big eye and yellowfin tuna - with the potential to keep the Ulladulla fishermen in the money for nine months of the year - that are the answer to all their prayers to Santa Maria. The prayer now is that she will keep the Japanese happy, and prevent the marauders from fishing out Australia's last tuna hope.

/12828
CSO: 4200/493

AUSTRALIA

EDITORIAL URGES 'AGREE TO DISAGREE' ON TIMOR

Sydney THE AUSTRALIAN in English 17 Dec 85 p 8

[Text]

WE TEND to get suitably excited about what is happening in Africa, Nicaragua, Lebanon or some of the world's other trouble spots. But this week we are host to one of the most important politicians to us in the world and he is here to talk about problems that directly affect our own region and how our two countries are going to react to these events.

The visitor is Dr Mochtar, Indonesia's Foreign Minister, who is making his first visit since 1978, a visit that was made very uncomfortable for him because of the invasion of East Timor. He is here now to test the atmosphere to see if things have changed and whether there is a possibility of the two countries working more closely together, especially on regional problems.

There is still a great deal of sensitivity on the part of the Indonesians to Australian attitudes on Timor, especially as they received encouragement to go into Timor from Australia. A great deal of water has gone under the bridge since 1978 and now is probably the time for both sides to agree to disagree on Timor.

There are good reasons, which have been gone over many times before, as to why Australians should never agree with the invasion of Timor and Indonesia should accept that and let both sides live with the fact that we don't agree. This is very necessary because both countries have urgent other matters to discuss and if possible to agree on and co-operate over.

The problem of Irian Jayan refugees in Papua New Guinea is one that needs to be managed by three countries - Indonesia, Papua New Guinea and Australia. The fear is that because of political problems in Papua New Guinea there could conceivably be a loss of central authority in that country. This could affect the movement of "refugees" from Irian Jaya and the domination of these people by the anti-Indonesian OPM movement. There is the potential here to move from a delicate managed problem to one in which Australia and Indonesia could find themselves facing each other with some hostility.

Indonesia and Australia need to manage this problem so that it does not get out of control, putting Australia in a difficult situation given its paternal attitude to Papua New Guinea.

As no doubt Dr Mochtar is pointing out to Australian ministers, there are a few odd things going on in the Pacific area with the Libyans and the Cubans not too far away from the mischief-making. Indonesia and Australia should be working closely together in analysing and dealing with these as yet only emerging problems.

As regards any other players in these matters, the United States does not live in this region. Indonesia and Australia do. France does not live in this region. We do. The Soviet Union does not live in this area. We do. Indonesia and Australia should be co-operating in managing the problems of our own area.

Dr Mochtar is the negotiator between ASEAN and Vietnam over the problem of Kampuchea. This long-running war is destabilising Thailand. It is imperative that ways be found of getting Vietnam to withdraw from Kampuchea. That is another reason dialogue between Indonesia and Australia is so important.

Indonesia is doing remarkably well economically. It has used its oil revenues to good advantage. It has been uncompromisingly strong against communism. It is also true that its armed forces are concentrating on internal order and not on external aggression. Indonesia has no designs on Australia.

Compared with the Philippines, where President Marcos set out to clean up the corruption, the private armies and oligarchies, Indonesia has succeeded where the Philippines has failed. But Indonesia is still a militaristic regime where the politicians hold power with the approval of the generals. It is not the sort of regime that Australians admire.

Nevertheless, both Indonesia and Australia have got to try much harder to get on with one another. Indonesia may not be able to understand why, for instance, a free press is so important to us, but it is. Looking at Australia from the Indonesian point of view, all the faults are not on our side.

Maybe if Indonesia is open, frank and honest with us we can look at the problem and say we can live with that. Indonesia must not look for an approval that we can never give. We cannot expect Indonesia to fall suddenly in love instantly with the Westminster system.

Let us work together to advance the things upon which we can wholeheartedly agree. The future of our region may one day depend on it.

/12828

CSO: 4200/493

AUSTRALIA

AIR FREIGHT POLICY CHANGES BOOST RURAL EXPORTS

North Richmond THE LAND in English 14 Nov 85 p 7

[Article by Bruce Mills]

[Text] NEW export opportunities have been opened up for farm produce — and in particular, lamb — following a deregulation of Australia's international air freight policy.

Already meat industry leaders have welcomed the deregulation moves, claiming the high quality chilled trade will now be placed on a more commercial footing.

Until now, export charter flights have been restricted to carrying only one type of produce from one consignor to one consignee — a move designed to protect Qantas scheduled flights.

But the Federal Government has now scrapped this restriction, allowing mixed consignments to be air-freighted to any destination.

Federal Aviation Minister, Mr Peter Morris, said the new policy would not only help export development, but would also help ease the shortage of air cargo capacity in peak periods.

As well, the changes should assist exports from Australia's smaller international airports, by allowing primary produce to be picked up from more than one of the "secondary gateways" such as Cairns, Darwin, Hobart, Norfolk

Island, Port Hedland and Townsville.

Both the Sheepmeat and Cattle Councils of Australia have warmly welcomed the changes.

Sheepmeat Council executive director, Mr Richard Moxham said the changes would open the way for increased exports of chilled lamb to Asian markets and to Japan in particular.

Moxham said during the past five years, exports of chilled lamb by air had grown to 10,000 tonnes — equivalent to one-third of all lamb exports, worth \$25 million a year to the sheep industry.

He said the Sheepmeat Council had been calling for deregulation since 1980 because the restrictions were damaging to exports of all types of primary produce, including chilled lamb, fruit and vegetables and seafood products.

Because of the regulations, Australia had foregone many market opportunities.

He said the changes would present opportunities for exporters to join together and develop markets in a number of key regions throughout Asia, the Middle East, Europe and the US.

ARTICLE VIEWS CANBERRA'S INTEREST IN PHILIPPINES POLLS

Broadway THE NATIONAL TIMES in English 13-19 Dec 85 p 12

[Article by Gwen Robinson: "Why a Marcos victory could embarrass Aust"]

[Text]

WHILE domestic politics in the Philippines now appear to have eclipsed talk of the deterioration in Australia-Philippines relations, acting Foreign Minister Pacifico Castro regards the matter as "still open".

The immediate problem began when a small item in one daily newspaper noted that Australia's Foreign Minister, Bill Hayden, had criticised the Marcos Government for human rights abuses, economic injustices and misuse of political power.

Protesting against Hayden's "highly offensive" comments, Marcos abruptly barred Australia from using the US Clark airbase facilities in the Philippines.

The immediate results were possibly more than Marcos bargained for, transforming Hayden into something of a hero in the eyes of the growing anti-Marcos movement.

In a recent interview, Castro told The National Times the issue would not be resolved until "an appropriate response" comes from Australia.

The "appropriate response", according to the

Philippines Government's initial despatch, is the deletion of Hayden's so called "unparliamentary remarks" from Australia's parliamentary records. The prospect is unlikely, bordering on impossible, say Australian officials.

For Australia, the apparent impasse between the two countries has heightened the critical nature of the forthcoming February presidential elections in the Philippines.

According to diplomatic sources, a continuation of the Marcos regime could "turn an already sticky relationship into a diplomatic nightmare" for Australia — and particularly for Hayden.

One side of the balancing act focuses on Australia's carefully nurtured relationship with the six-member Association of South East Asian Nations (ASEAN), and the special diplomatic relationship Australia is supposed to have with the Philippines in that concept. Within its large aid program to ASEAN, Australia's \$23-million aid program to the Philippines is seen as pivotal.

But looming on the other side is the likely elimination of Australia's military assistance

to the Philippines next year, and a scheduled reduction in its bilateral development aid.

In two months, Australia will host the annual ASEAN Australia Forum, a meeting with the six member countries: Singapore, Malaysia, Thailand, Indonesia, Brunei and the Philippines. The talks are intended as a forerunner to the annual ASEAN Foreign Ministers meeting, scheduled for July next year in Manila.

Hayden, as Foreign Minister, has actively promoted Australia's involvement with ASEAN countries and has been a zealous participant in their annual talks.

But if Marcos averts the planned February election, or conceivably wins it — both being widely acknowledged as possible developments — Hayden could find himself in cosy chats with a regime he has strongly and publicly condemned.

As the 1985-86 chairman of the ASEAN Standing Committee, the Philippines is co-chairing Australia's ASEAN Forum in February. Castro, as Foreign Minister, is due to make an official call on Hayden before the mid-year ASEAN meeting in Manila.

Coincidentally, Australia was this year assigned the Philippines as its ASEAN dialogue partner. The dialogue system is designed to provide channels of communication between the ASEAN group and its six "first world" partners — the US, Australia, New Zealand, Japan, Canada and the European Economic Community.

Although a diplomatic source in Manila stressed the dialogue relationship is "merely a communication channel" and does not have extra economic or political ties, he conceded that the latest rift in Australia-Philippine relations "put some strain" on Hayden's involvement in the talks.

But Philippine-Australian relations are already set to cool further, with proposed cuts in Australian aid to the Philippines. Australian development aid to the Philippines this year (1984-5) was \$21.07 million on official estimates. The budget estimate for next year is \$16.5 million.

Military assistance, meanwhile, will be scaled down from \$1.75 million in 1984-85 to \$1.5 million next year.

So controversial has the military aid program become for the Australian Government that almost half of the \$1.5-million appropriation — intended for a mobile field hospital — will probably remain unspent, according to Defence Department sources.

Both military and development aid programs are under review, as is Australia's relationship with the Philippines

Following increasing attacks in Parliament and in the media over the military aid programs, Defence Minister

Kim Beasley has speeded the review of Australia's military assistance programs.

The current arguments going on within the Defence and Foreign Affairs departments over the military aid program include the contention that Australia's growing commitment to human-rights issues is incompatible with such aid.

Against this, the aid is seen as "insurance". As well as underlining Australia's commitment to regional security, some Defence Department officials feel the aid program, no matter how small, will ensure Australia continues to have "friends in high places" in the event of a military coup in the Philippines.

Although Australian officials are attempting to play down the Australian and Philippine rift, they concede that deeper chasms are evident in a relationship that began cracking more than two years ago, with the jailing of Australian priest Brian Gore.

The Gore incident, said Castro, was when Australia — and more specifically Bill Hayden — first began interfering in the Philippines' affairs.

AUSTRALIA

BRIEFS

FOREIGN MINISTER WARNS LIBYA--Australia has sent a diplomatic warning to Libya over its connection with the independence movement in New Caledonia and terrorist incidents in Europe. On the instructions of the foreign minister, Mr Hayden, Libyan diplomats in Australia were today warned to curb Libya's predisposition for export violence. The head of the Libya People's Bureau was called in by the Department of Foreign Affairs after press reports that leaders of the Kanak Socialist National Liberation Front of New Caledonia have been invited to a summit of liberation movements in the Libyan capital. A spokesman for the department said the warning given today followed an earlier warning last November when it was reported that about 20 Kanaks were going to Libya for military training. The spokesman said Australia was particularly concerned at the use of violence in the Pacific region. Australia had also sought clarification of the Libyan Government attitude to recent terrorist atrocities in Rome and Vienna following Libyan press reports hailing the terrorists as heroes. [Text] [Melbourne Overseas Service in English 0830 GMT 3 Jan 86 BK] /12232

REVIEW OF U.S. BASES--The Queensland branch of the Young Labor Movement will press the minister for foreign affairs, Mr Hayden, to support its call for a reassessment of United States military bases in Australia. The state secretary of the Queensland Young Labor Movement, Mr Paul Lucas, said the call to review the role of American bases was in response to recent agricultural legislation signed by President Reagan. The Australian Government says the legislation, which aims to boost U.S. agricultural exports by extensive subsidies, will hurt Australian sugar, wheat, and dairy exporters. Mr Lucas said there should be a limit to Australia's commitment to a nation which showed disregard for the economic well-being of an ally. He said Young Labor would be suggesting to Mr Hayden that loyalty was a two-way relationship. Mr Hayden, formerly leader of the Labor Party federally, represents the Queensland electorate of Oxley. [Text] [Melbourne Overseas Service in English 0430 GMT 29 Dec 85 BK] /12232

PEACOCK REMARKS ON ANZUS--The federal opposition spokesman for foreign affairs, Mr Peacock, says 1986 is likely to be the year that sees the end of the ANZUS alliance. Mr Peacock says the government has done nothing to try to stop Australia's most basic defense treaty from unraveling. He said a review of the ANZUS Treaty was likely in 1986. This review would be no mere academic exercise, and the legal and operational status of ANZUS would be in jeopardy. Mr Peacock said the government should be laying the groundwork now to ensure that at the end of this review process, Australia retained all the legal and operational guarantees currently existing under the ANZUS Treaty. [Text] [Melbourne Overseas Service in English 0430 GMT 31 Dec 85 BK] /12232

RAJIV GANDHI POSTPONES VISIT--A planned trip to Australia by the Indian prime minister, Mr Rajiv Gandhi, next month has been postponed. The Department of Foreign Affairs in Canberra confirmed that Mr Gandhi had postponed his trip. A spokesman for the department said that both the Indian and Australian Governments would look at alternative dates for the trip later in the year. The news agency, ASSOCIATED PRESS, reported from the Indian capital, New Delhi, that it is understood that Mr Gandhi called off the trip because of growing domestic criticism of the number of foreign trips he had taken during his first year in office. The agency said it was believed that the Indian prime minister had also canceled trips to New Zealand and several Latin American countries. [Text] [Melbourne Overseas Service in English 0830 GMT 1 Jan 85 BK] /12232

NEW TARIFF PROCEDURES--The federal government today announces a revised system of granting tariff preferences to developing countries will be introduced from July this year. Under the revised scheme, the developing country tariff rate will be set at 5 percentage points below the general tariff rate. The minister for trade, Mr Dawkins, and the industry, commerce, and technology minister, Senator Button, said the existing scheme distorted Australian industry policy and created uncertainty about tariff levels for Australian manufacturers. The ministers said it also led to increased friction with Australia's developing country trading partners. They said the revised scheme would be much simpler and would focus attention toward more constructive industry development and trade goals. [Text] [Melbourne Overseas Service in English 0830 GMT 3 Jan 86 BK] /12232

CSO: 4200/489

BRUNEI

BRIEFS

NEW ARMED FORCES COMMANDER--Kuala Lumpur, 1 Jan (AFP)--Brigadier-General Pahlawan Mahamad Daud has been named the first local commander of the Royal Brunei Armed Forces (RBAF), succeeding Sir John Friedberger of the British Army, press reports said here today. The Malaysian national news agency, BERNAMA, said Television Brunei reported yesterday the handing-over ceremony at the Berakas Garrison near the capital city of Bandar Seri Begawan. The agency said the 42-year-old Brig-Gen joined Brunei's army in 1960 and had recently attended at the College of Defense Studies in Britain. Brig-Gen Pahlawan served in various divisions in the army and held the position of commanding officer of the First Battalion and later was deputy commander of the armed forces prior to his present appointment. Brig-Gen Sir John had been commanding the RBAF for three and a half year, the report said. The oil-rich sultanate gained independence from Britain two years ago but British officials still hold senior posts in the country. [Text] [Hong Kong AFP in English 0622 GMT 1 Jan 86 HK] /9738

CSO: 4200/498

INDONESIA

SUHARTO DELIVERS 1986 NEW YEAR ADDRESS

BK011218 Jakarta Domestic Service in Indonesia 1215 GMT 31 Dec 85

[31 December 1985 address to the nation by Indonesian President Suharto--recorded]

[Text] Peace be upon you! My fellow countrymen, in keeping with the good tradition we have practiced thus far, tonight, on the occasion of New Year's Eve, I would like all of you to spend a little time to contemplate and understand the significance of 1985 to our nation. Such contemplations are necessary because as a growing nation, we still have to face a long journey. We develop our nation stage by stage from year to year, from month to month, and even from day to day. Besides the already heavy tasks we have to face at present, we still have to face new and heavier tasks in the future. Our development tasks in the last few years have been increasingly heavy due to the fluctuations of the global economy, which does not always favor our development programs.

Stated briefly, our long journey in developing the nation will be full of joy and sorrows, and full of hopes and challenges. There are times when we will meet with encouraging successes, but sometimes we will also be overwhelmed by discouraging difficulties. By contemplating the significance of [words indistinct] as a nation, we will someday or at a certain stage of our national development be able to adopt a calm and realistic attitude and maintain our self-control. We will not be overly elated when we meet with successes and we will not be depressed when we are faced with trials and tribulations. Excessive elation and depression are equally bad because both can undermine our development efforts.

Our contemplation will lead us to a feeling of deep gratitude to the year that we will soon leave behind. We have safely passed 1985 despite the various difficulties and obstacles we had to face and overcome. What we experienced in 1985 was not something unexpected that arose all of a sudden. We already predicted that 1985 would not be an easy year. Even when I was addressing all of you exactly 1 year ago during the same occasion as tonight, I already stressed that 1985 would be a difficult year for our economy. The difficult economic situation was nothing but a continuation of the unfavorable fluctuations of the world economy several years earlier, caused by the sustained world economic recession. Even though 1985 was a difficult and gloomy year, it does

not mean that we did not make any progress in our development programs. In 1985, we continued to carry out our development programs even though the pace and scope were smaller than in the previous years. We must be grateful to this fact because other nations throughout the world are also facing various problems. The economic crisis knew no boundaries--it affected advanced industrialized countries and had serious impact on developing countries. Even countries that can be classified as advanced ones had to experience a reduced economic growth compared with earlier years.

My fellow countrymen! As a mirror of our society's dynamic nature, nurtured since our independence, each passing year always gives new significance to the history of our developmental growth as a nation. We have been moving forward together to realize our lofty ideals. While we were engaged in physical struggle during the early stages of our existence as a nation, we had to experience the vicissitudes of life and upheavals during the subsequent years. However, we consider these things as part of our growth which will lead us to a more stable and mature attitude. During the last 2 decades of our existence as a nation, we were busily engaged in socioeconomic development to realize progress, well-being, and justice in our Pancasila society.

At the current level of national development, our main attention is focussed on economic development. At the same time, however, we do not at all neglect development in other areas. In fact, we continue to consolidate and upgrade those other areas of development.

In the framework of developing our nation in the widest sense of the word, we believe that 1985 has a special meaning, namely the enactment of the five political laws, which constitutes an important progress in our political and democratic life as well as confirms the position of Pancasila as state philosophy and national ideology. In 1985, through constitutional means we reiterated that Pancasila is the sole principle in our national life. Our confirmation of Pancasila as the sole principle has a positive impact and far-reaching future scope from one generation to another throughout the ages. By confirming Pancasila as the sole principle, we have also settled a basic issue in our national and state life. We are very happy that the settlement of such a basic issue could be done in time, namely at the time when we are preparing to enter the take off stage of development toward our desired kind of society.

The next task of all political and mass organizations in the country is to translate into action our confirmation of Pancasila as the sole principle in a concrete manner with a view to giving our biggest and best contributions to national development. We also consider our confirmation of Pancasila as a key in our efforts to hold the upcoming 1987 general election. Therefore, 1986 should be a year of preparation for all participants in the general election to make Pancasila easily become the guideline election during the election campaign and the actual election itself, with all election participants offering their best work programs so as to contribute toward the continuity of national development. As such, the political and democratic life will grow in a healthier manner, while at the same time giving a positive contribution to the national development. If such a situation can be realized, the upcoming general election will hopefully be able to give a new pattern, which is different from earlier elections. That means that we have exerted joint efforts to give a better quality to our general election in particular and our political life in general.

At the same time, we have also continuously developed our foreign policy to contribute toward the implementation of national development on the one hand and the realization of world peace on the other--a peace based on freedom, everlasting security, and social justice. In this connection, we celebrated the 30th anniversary of the famous Asian-African Conference in Bandung in 1985. By holding such a celebration, we would like to strengthen Asian-African solidarity and remind the world that by implementing the Bandung Conference's 10 principles, we will be able to realize world peace and common welfare, desired by all human beings. Indeed, we need to popularize the 10 principles because the world situation is still far from secure. In such a situation, we warmly welcome the recent summit meeting between Reagan and Gorbachev in Geneva, and we hope that the meeting is a preliminary step toward a reduction of tension affecting the world.

Meanwhile, in our efforts to realize stability and peace in our region, we have endlessly helped seek a just, respectable, and permanent solution to the Cambodian problem based on the respect for the people in that country to exercise self-determination and determine their own destiny and future. As part of the implementation of an active and independent foreign policy, last September I embarked on the first state visit to Eastern Europe, namely Romania and Hungary, as well as Turkey. These visits were also part of the efforts to forge closer trade and economic relations with Eastern European countries. The expansion of trade and economic relations with all countries in the world is felt to be increasingly important, especially in coping with the global economic situation, which does not favor our development programs.

My fellow countrymen! Our economic situation in 1985 was not too encouraging. As part of the world community, our economy was also affected by the negative impact caused by the fluctuations of the world economy during the past few years. Despite the encouraging progress we have made in our efforts to boost our nonoil and nongas commodity exports, the exports of our nonoil and nongas commodity goods had to face fierce competition and obstacles. Such obstacles were felt to be increasingly strong when advanced industrialized countries took measures which turned out to be trade barriers to our nonoil and nongas exports in the form of quota restrictions, tariff imposition, and other protectionist measures. We have (?repeatedly) told industrialized countries that such protectionist policies will only undermine the smoothness of international trade. In the long run, such policies will benefit neither the industrialized countries themselves nor the developing ones. The nonoil and nongas exports of developing countries play an important role in those countries' economies because they will affect foreign currency revenue, job opportunities, and other economic activities in those countries.

However, despite our deep concern over increasingly stronger protectionist measures against our exports, we feel relieved and want to express our appreciation to President Reagan, who has vetoed the Jenkins Bill. We hope that such a veto will constitute the beginning of a progressive outlook and reflect a more fundamental understanding that world economic problems can only be solved in a global way by paying attention to the interests of all countries, by they industrialized or developing ones.

In boosting nonoil and nongas exports in particular and national economic activities in general, the government has taken and will take measures to smoothen and intensify such exports. The government will promote a healthy business climate, simplify export procedures, and provide other promotional activities. In this connection, the well-known presidential decree No 4/1985 was issued for this purpose.

Another problem we faced in 1985 in our efforts to improve our economy in 1985 was the decline of the oil price in international markets, which in turn reduced state revenue. Such economic pressure is expected to continue in 1986. Therefore, speaking frankly and with a great sense of responsibility, I would like to tell you now that 1986 will continue to be a difficult and gloomy year for the implementation of our national development.

Our response to such a situation is to work harder, wisely identify development priorities, increase national efficiency in all areas, practice austerity, strengthen social solidarity, and foster national unity and integrity.

However, we ought to feel grateful that in facing the coming lean year, we still possess our economic resilience as a result of our development efforts during the last 1 and 1/2 decades. If we did not possess such economic resilience, we would be in worse shape. We can now make use of such economic resilience because in the past we wisely used the available resources, especially from the high oil price in those days. Thanks to our ability to maintain a balanced budget and a correct forecast of the economic situation, the inflation rate in 1985 was controlled at a little more than 4 percent.

We must seriously pay attention to this economic stability because past experience has taught us a good lesson on how a high inflation rate can lead to an insurmountable economic crisis. Our economic resilience can also be seen from our massive foreign currency reserves as a result of our ability to control the import of consumer goods, the growing availability of our domestic products, and other austerity measures. In 1985, we could still maintain a high level of economic activities in various sectors.

In the agricultural sector, our rice production in 1985 is estimated to reach 26.3 million metric tons--an amount which proves that we can further consolidate our self-sufficiency in rice. The amount also constitutes the highest rice production since our independence. While such a success is very heartening, we will never relax our vigilance. As I have often stressed, development will always bring new problems and challenges. Our new problem with the record rice production is related with its storage and marketing in particular, and other post-harvest problems in general.

In the industrial sector in particular and [word indistinct] in general, we continued to make progress in 1985. We completed the construction of a number of plywood factories in Maluku, cement factories in Cirebon and Tonasa, the Iskandar Muda fertilizer plant in Aceh, ship building industries in Surabaya, Sukarno-Hatta Airport in Jakarta, Suralaya steam-powered electricity plant in West Java, (?primary) industries factories in Cilegon industrial estate, paper-mills, Tanjung Mas port in Semarang, public housing complexes, and many other development projects.

The growth and capability of our national industry is clearly seen at the Indonesian industrial products exhibition held in Jakarta this year. Various products with better quality are entering the market. In many fields, the industrial innovation of our nation can compete with the advanced nations. At the same time, there emerge new problems and challenges. Our next problem is how to increase the efficiency and quality of our products to enable them to compete with other products in international markets, which happen to be sluggish and competitive. This will be our common problem in the coming year. In this connection, I would like to urge you once again to launch a massive campaign for increasing national efficiency in the government sector, business and industrial circles, as well as among the public in general.

Our invaluable strength and power of endurance is our national stability, which is getting more solid from day to day.

Me fellow countrymen! The history of development and growth of our nation is rich with experiences and full of stiff tests. We can go through all these tests safely because the forces supporting national cohesion are stronger than the seeds of disintegration and also because common sense and poise are stronger than agitation and panic. History has shown that we are a nation that can always overcome problems.

With our greatest sense of gratitude to the almighty God who has given His blessings to all of us as a nation in 1985, let us enter 1986 with an austere but confident attitude of mind. We must practice austerity because we are deeply aware that 1986 will be a more difficult and gloomy year, but we are also full of confidence because we are determined to overcome all problems we are going to face. Equipped with such an attitude to face the future, let me use this occasion to convey my 1986 New Year greetings to all of you, your families, our youths, and all Indonesian children. May the almighty God give His blessings to all of us. Thank you, may peace be upon you.

/12232

CSO: 4213/64

INDONESIA

SUHARTO ADDRESSES MUHAMMADIYAH CONGRESS

Jakarta ANTARA NEWS BULLETIN in English 7 Dec 85 pp A5, A6

[Text] Pancasila is not opposed to religion, nor is it a substitute for religion, President Soeharto reiterated in his address at the opening of the 41st Muhammadiyah conference here Saturday morning.

The Head of State continued, "Pancasila is the basis of our community life, as a society, as a nation and as a citizen, which could not possibly be drawn up based on tribal values, on religion, race or grouping".

He further stressed that Pancasila will not conduct our personal inner life, as for instance faith and the performance of our religious duties to God Almighty, but Pancasila on the other hand guarantees their implementation.

In his address at the opening of the Muhammadiyah conference, which was also attended by Madame Soeharto and a number of development cabinet ministers, the Indonesian President pointed out that confirmation of Pancasila as a principle does not merely mean to include it in the organization's statutes.

Confirmation of Pancasila as a principle obliged us to propagate it in our social, national and state programs. We have to continuously endeavor that Pancasila would provide colour to all aspects of our national life, the President said.

According to the President, Muhammadiyah could in many cases give good example. It is widely spread throughout the country and had since long performed good deeds in various fields.

He appealed to Muhammadiyah to continue the good deeds and to extend its services in other one wider fields.

In another part of his address, the President, who once received educational training from Muhammadiyah, said Muhammadiyah has a special place in the hearts of the Indonesian people in general and of the Indonesian Moslems in particular.

Prior to the President's address the central board chairman of Muhammadiyah, Har Fachruddin, as well as Central Java Governor H. Ismail addressed the conference.

In the Presidential entourage were also coordinating Ministers Surono and alamsyah Rayu Perwiranegara, Home Affairs Minister Soepardjo Roestam, Minister/State Secretary Sudharmono, Religious Affairs Minister Munawir Sjadzali, Junior Minister/Cabinet Secretary Murdiono and Armed Forces Commander General Moerdani.

The President and party were scheduled to return to Jakarta Saturday noon.

/12828

CSO: 4200/490

INDONESIA

MOKHTAR ON WORLD ARMS RACE, CAMBODIAN ISSUE

BK311031 Jakarta International Service in English 0800 GMT 31 Dec 85

[Excerpt] The Indonesian Foreign Minister Mokhtar Kusumaatmaja, has stressed that the prevailing international situation is still far from encouraging. In his press statement at the end of 1985, he said that arms races among the world's big powers are still continuing and the nuclear armament possessed by the two superpowers--the United States and the Soviet Union--has far exceeded their defense and security requirements, constituting a threat to the survival of mankind.

Regional conflicts, he further said, also had not shown any signs to lessen and the conflict of interests between the two superpowers was often reflected in conflicts connected with ideological or political as well as economic and military factors.

Touching on the Kampuchean issue, Minister Mokhtar said it remains a source of concern for Indonesia and the ASEAN countries. According to the Indonesian foreign minister, Indonesia, together with the other five ASEAN countries, has an interest in maintaining the peace and stability in Southeast Asia and continuing in making every effort to find out an overall political solution to the Kampuchean problem. To that end, Indonesia has proposed a framework for an overall solution in its 12-point proposal [words indistinct] for holding a cocktail party among the conflicting parties.

/9738
CSO: 4200/497

INDONESIA

FOREIGN MINISTER HOPEFUL ON TALKS WITH PNG

HK031121 Hong Kong AFP in English 1030 GMT 3 Jan 86

[Text] Jakarta, 3 Jan (AFP)--Indonesia said today its first talks with the new government in neighboring Papua New Guinea would focus on bids to repatriate more than 10,000 refugees who fled Indonesia's Irian Jaya Province.

Foreign Minister Mokhtar Kusumaatmaja told a press briefing he was hopeful that his scheduled 31 January - 2 February meeting here with Papua New Guinea counterpart Legu Vagi would help solve the problem in the first half of 1986.

But he added that he would have a better idea after the talks.

Some 11,000 refugees, whom Jakarta terms "border crossers" fled into Papua New Guinea across the ill-defined 800-kilometer (497 mile) border in February of 1984 after an abortive uprising by the separatist Free Papua Movement (OPM).

Efforts to repatriate them have been stymied by the stoning of Indonesian officials visiting their camps, refugees' fear of returning and the difficulty of distinguishing non-OPM villagers from militant separatists.

Only small groups have trickled back to their home villages, and one group of 12, described by Port Moresby as criminals, was forcibly repatriated.

Mr Mokhtar said he welcomed Papua New Guinea's assurances that it would continue to try to solve the refugee problem on the basis of notes exchanged by the two countries last year.

He said the new government of Prime Minister Pias Wingti had shown itself "not only willing but determined" to solve the refugee problem.

Mr Mokhtar said that verification visits by Indonesian officials to the refugee camps, suspended after the stoning incident, might be renewed now that some of the OPM leaders had given themselves up and that the Port Moresby appeared to be in control of the camps.

He described the New Port Moresby Government as taking a firmer line with OPM separatists.

The notes exchanged last year stated that both sides would work together to solve the refugee problem, that repatriation would not be forced, that there would be no reprisals against refugees who had not broken any laws, and that law-breakers should be dealt with "as they would be in other countries under similar circumstances."

Mr Mokhtar said today that Papua New Guinea embassy officials had been invited to inspect resettlement areas when the refugees had been repatriated.

He also hailed as a "splendid idea" the assistance of Indonesian clergymen in solving the refugee problem, which was proposed at an ecumenical conference of clergy in the predominantly Christian province of Irian Jaya.

/9738

CSO: 4200/497

INDONESIA

TWO GIVEN JAIL TERMS FOR DISSIDENT ACTIVITY

BK301440 Jakarta MERDEKA in Indonesian 26 Dec 85 pp 1, 11

[Excerpts] Jakarta, Wednesday [25 December], MERDEKA--A.M. Fatwa, 46, a former senior official of the Jakarta Special Region Administration, and Abdul Qadir Jailani 45, a lecturer of the Tanjungpriok Islamic Missionary Institute, have each been sentenced to 18 years imprisonment less the time they have spent in police custody.

The two defendants facing subversion charges were tried separately in the Central Jakarta District Court on Tuesday afternoon.

Unlike the previous days, Fatwa wore a safari suit and a cap and was in a happy mood. He attentively listened to the verdict read by B.E.D. Siregar as presiding judge accompanied by judges Sriwati and Abdul Razak.

Earlier, Prosecutor Susilo Urippto demanded life imprisonment for the figure of the petition 50 group for his complicity in publishing a white paper, giving a series of lectures and sermons in various places, and organizing a meeting in his Muslim chapel to launch a series of terrorist acts and blasts in the capital in protest against the government's handling of the Tanjungpriok incident.

In another courtroom, Abdul Qadir Jailani, wearing a Pakistani-style cap and shawl on his neck, also listened attentively to the verdict of a council of judges headed by Imam Sukarno with Sugianto and Hasan Basri as members.

Earlier, Prosecutor Basrief Arief demanded the death sentence for Jailani for his part in blasts in the capital on 4 October 1984 and for giving a series of lectures and sermons in several places--the contents of which have caused public unrest.

/12232
CSO: 4213/64

INDONESIA

ARMS DEVELOPMENT AGREEMENT WITH FRANCE SIGNED

Jakarta ANTARA NEWS BULLETIN in English 22 Nov 85 pp A4, A5

[Text] Jakarta, 21 Nov (ANTARA)—State Minister for Research and Technology B. J. Habibie and Director General for Armament at the French Defence Ministry Emile Blanc, on behalf of their respective governments, signed an arms industrial development cooperation agreement here Thursday.

The conclusion of the agreement is a follow-up of an accord on research and technological development between the two countries signed on May 8, 1979.

The realisation of the cooperation, on behalf of Indonesia, will be carried out by the National Agency for Assessment and Application of Technology (BPPT) and on behalf of France by the Direction Generale pour l'Armement (DGA).

Habibie told the press later that France, like the United States and West Germany, mastered an advanced defence technology.

Habibie said Indonesia is also cooperating with France in building Super Puma helicopters.

Habibie said his talks with Emile Blanc were particularly focused on long-term cooperation in armament both for the air force, navy and the army.

Indonesia can learn a lot from France, especially its Exocet guided missiles and the Thomson radars for warships. If economically viable, he said, these arms may be reproduced in Indonesia too.

Emile Blanc also told Habibie his favourable impressions of the Nurtanio aircraft industry in Bandung, the Centre for Scientific and Technological Research (Puspiptek) in Serpong and PT. PAL (ship-building yard) in Surabaya.

He said the Serpong centre is one of the most advanced centres of its kind in the world.

As regards the Nurtanio aircraft industry, he said it was also one of the best, and that its employees are highly trained and motivated.

After visiting PT.PAL, he said the country's shipbuilding industry has achieved vast progress. Emile Blanc is the guest of the Indonesian Strategic Industrial Development Council and the Indonesian Defence and Security Industrial Council, both are chaired by Habibie.

INDONESIA

MINISTER ON FOREIGN LOANS, ECONOMIC GROWTH

Jakarta ANTARA NEWS BULLETIN in English 23 Nov 85 pp A1, A2

[Text]

Jakarta, Nov.22 (ANTARA).--- Foreign borrowing must be kept to a minimum, that's why the government prefers soft loans, while commercial export credits are given only under crucial conditions, Minister for National Development Planning J.B.Sumarlin, told a Parliamentary Commission on state budget Friday. This policy is adopted considering that loans must be repaid in the future.

"We do not want to experience what most of other developing countries do such as Argentine, Brazil, Chile and Mexico which have difficulty in repaying their debts", the minister said.

The total development aid in 1985 stood at Rp.4,368.1 billion, while the installed repayments for development loans reached as high as Rp.3,559.1 billion.

The first semester report for 1985/1986 showed that development aid received totaled Rp.1,400.727 billion, while interests and debt instalments said stood at Rp.1,352.621 billion.

Minister Sumarlin estimated that economic growth in 1985 be slower than in 1984 which recorded 5.2 percent.

He pointed out that economic growth which is estimated at five percent during the fourth Five Year Plan, this year will undergo a little drop particularly due to low oil prices.

The minister however expected a higher growth than five percent in 1986, so the target of achieving an average five percent growth for the fourth Five Year Plan could be materialized.

The economic slump does not only hit Indonesia, but also other countries such as Singapore. "It is natural in an economy that depends on external trade", he said.

/9274

CSO: 4200/473

INDONESIA

EXPORT TO FRG SHARPLY UP

Jakarta ANTARA NEWS BULLETIN in English 5 Dec 85 p A6

[Text] There has been a sharp increase of Indonesian exports to the FRG during the first 3 quarters of 1985 (January - September).

With a value of DM 872,84 million, last year's exports have already been exceeded (1984 totally: DM 785,3 million).

According to information quoted by Ekonid (Indonesian-German Economic Association) from the FRG Central Bureau of Statistics, there has been not only a remarkable increase of major Indonesian traditional export commodities (among others, cocoa beans, edible oils, copra cakes, tea) but also of semi-finished and industrial products like electro-technical goods, garments and wood products.

During the first 3 quarters of this year, Indonesian imports from Germany with a value of 1,3 billion DM were considerably lower than last year. (2,2 billion DM).

/12828

CSO: 4200/490

INDONESIA

COMPLAINTS AGAINST JAPANESE BUSINESS PRACTICES EXAMINED

Jakarta BUSINESS NEWS in English 27 Nov 85 p 2

[Editorial: "Conflict of Interests Increases During Recession"]

[Text]

The "Suara Karya" daily last weekend reported a complaint voiced by Indonesian businessmen as partners of Japanese companies. Japan was accused of "disrupting the development of the electronic industry in Indonesia by splitting up sole agents appointed in this country".

"After succeeding in breaking up the national company which formerly acted as the agent of Sony electronic products, Japanese businessmen lately have also been trying to undermine another national company already serving as the agent of Hitachi electronic products for years, which is PT Gemini".

The main cause of irritation of the Indonesian businessmen already serving for a long time as the agent of the popular Japanese products seems to be that Japanese suppliers have recently been trying to replace their distributor.

Interesting to note is the emotional tone that marked the complaint on the Indonesian side, including the major newspaper. Japan's position in Southeast Asia apparently is not safe. On the one hand Japan is badly needed by the business world of Southeast and East Asia, because in this region it is the most important business and trade partner. On the other hand, Japan's image as an "economic animal" has not been completely wiped out. When local partners find themselves in a rather difficult situation, then Japan is identical with anything negative.

In fact, we should be more objective and mature in evaluating the present situation. Japan also has its own embitterment. However, the complaints of the Japanese, as foreigners, are not promptly published in newspapers. Only the outcries of the underdog are readily heard.

When a big delegation of Keidanren and the Japanese Chamber of Commerce met with Kadin Indonesia in Bali not long ago, the Japanese side had the opportunity to reveal what was on their mind. For instance, they complained that during the recession, sixty percent of all their joint venture companies have suffered losses. The main reason is the very weak purchasing power on the market, so that prices cannot be raised, frequently even have to be lowered.

Under this sluggish condition, which reduces the profit margin, they complained why foreign investors (PMA) are so discriminated in Indonesia : PMA are denied credits from state banks, prohibited to distribute their own products, required in ten years to offer their shares to Indonesian partners, etc.

Against Indonesian partners that often hold their distribution rights they also complained that the margin of distribution demanded becomes too high in this recession period, i.e. 4 – 5% to 9%. If this margin can be lowered then the profit of their (joint venture) companies may increase. They even expressed the hope that the Indonesian government will allow them to handle distribution by themselves, as long as the recession prevails. This cannot be approved because it violates the law (prohibiting trading activities by foreigners). The Japanese also warned in Bali that they are not desirous of increasing their investments as long as their companies have not yet recovered.

Hence what was reported in the newspaper as an unfair action on the part of Japanese partners is most likely to be their intention to regain their market by the tactic of offering goods at lower prices.

In this recession period that will further continue there are many possibilities for the emergence of anti-Japanese sentiments (of trade) among Indonesian business circles. If the complaints voiced by the Indonesian side bear some truth and are appropriate, the government should intervene.

On the other hand, the government as well as Kadin Indonesia have endeavoured to persuade Japan to step up its business operation in Indonesia. So if anti-Japanese sentiments arise, the government and Kadin Indonesia may fail, and this will harm the interests of all of us.

The important thing is therefore to study the problem objectively, coolheadedly, while taking into account national interests as a whole.

Such interests among others demand industrial restructuring to promote productivity and reduce various sources of high cost.

Government agencies (the Investment Coordinating Board, the Ministry of Industry, the Ministry of Trade) may be able to examine these complaints in commercial, legal and technical ways, impartially, and furthermore, to try to find out a mid-way solution that will be favourable to us all.

/9274

CSO: 4200/473

INDONESIA

FERTILIZER EXPORTS TO PHILIPPINES

Jakarta BUSINESS NEWS in English 29 Nov 85 pp 7, 8

[Text]

The Philippines has in the past several years imported urea from Indonesia. Indonesia's supply of urea to the Philippines, compared with the total value of Philippine imports of urea, reached 40.4% in 1982, 40% in 1983 and 17.8% in the first ten months of 1984.

The need for fertilizer in that country, for the planting of paddy, maize, sugarcane, coconut, banana, pineapple and such other food plants, is expected to keep on rising in the coming years.

Philippine imports of urea from several supplier countries were registered at 332,650 tons worth US\$ 59,270,888 in 1982, 337,645 tons worth US\$ 45,060,673 in 1983 and 208,856 tons valued at US\$ 32,856,624 in 1984 (till October).

Indonesia has a greater opportunity to increase the supply of urea to the Philippines in the coming years, as the Philippine Government has since this year given priority to fertilizer imports in the utilization of its foreign exchange reserves. The Asian Development Bank and the World Bank have provided assistance for Philippine imports of fertilizer.

The Philippines has set the target of its urea imports at 388,400 tons in 1985 and 396,200 tons in 1986. The fertilizer imports are managed by the Fertilizer and Pesticide Authority of the Philippines. Fertilizer imported by this agency is exempted from import duty. But 20% import duty and 10% ad valorem tax are imposed on fertilizer imported by private companies.

INDONESIA

GOVERNMENT PURCHASE OF PT INDOCEMENT SHARES QUESTIONED

Jakarta BUSINESS NEWS in English 4 Dec 85 pp 3,4

[Text]

The Minister of Finance has emphasized in Parliament that the purchase of shares of PT Indocement Tunggal Perkasa by the government is intended to prevent the monopoly of cement procurement by this private corporation, which remains the biggest cement producer in the country at present.

This statement has invited many comments among the public, which mostly lack any praise. Some even have suggested that to speak straightforwardly, in a frank manner, should have been wisest. Pettifoggery should have been avoided. By speaking openly, the motive may be better understood, and at least the government attitude can be appreciated.

Another alternative is to make no statement at all instead of speaking about something less acceptable to common sense. The worst is that, if the finance minister's statement really reflects the motive of the government, because its economic logic is too weak. It is indeed peculiar if the government, already so widely praised for the quality of its policy -- also by overseas circles -- can still be trapped in a logic that is not so sound.

The present time is regarded as a period of transition in which public funds are much more limited, so that priority ranking should be made more clearcut. Hence the questions about the item of government capital participation (PMP) in the state budget are : Is it proper and alrea

dy in line with the focussing of priority that almost the entire annual allocation for PMP in the first semester was poured into one company ? How about the allocation for other projects or state run corporations, which also need extra capital? Will state expenditures be increased to meet the other needs ? In fact, even at this moment expenses for first semester PMP already exceed the limit of the state budget for 1985/86.

If the prevention of monopoly is seen as something very urgent, other questions arise : why did the government allow the expansion of capacities ? Why should there now be corrective measures while the problem could have easily been prevented ?

Even if Indocement controls the bulk of cement supply on the market, aren't there any other cheaper ways for the government to control its price ? The Indonesian government is so powerful that a suggestion to large private companies to avoid imposition of high monopolistic prices will surely be heeded. The government has enough weapons, for instance, licensing can be subjected to tough requirements, state banks can be ordered not to provide assistance, and so forth. The companies are aware of these instruments of sanctions and will not take unnecessary risks.

The government still has another effective way of overcoming the practice of monopoly in the sense of fixing too high prices; imports can be allowed, so that prices of import goods will determine the market price level.

In the national history the government has frequently adopted such moves, so that this time it should not have forgotten.

Does the government want to subdue the negative image (if any) of Indocement as a "monopoly" ? If this is the case, then why should the government now facing scarcity of funds have bought part of the shares ? If the shares had been offered to various insurance funds, pension funds,

and other private circles (including the public at large), they might have shown great interest as long as the price is okay. Has the government bought the shares at a proper and suitable price so that the rate of return will be the same as other objects of investment ?

Certain observers have the view that this government measure is wise as the realisation of a new principle, viz. that the government is prepared to join the domestic private sector, or that the government is willing to financially assist a private company in bad need of capital restructuring (e.g. increasing equity capital) in order to be able to borrow more from the overseas capital market. But such readiness should have also been offered to the other private firms so as not to create prejudice that the government has taken a discriminating move. However, does the government regard the bailing-out operations against private companies as a priority in this period of transition ?

Government can argue by stressing that the cement industry is "strategic" because it involves the interests of the whole population. In this case, according to Article 33 of the Constitution the cement industry must be "under the command of the State", before and after its establishment. Does the 35% ownership of its shares by the government already guarantee the "command" ?

As the milk has spilt, what we should now find out is the lesson. If the same problem emerges later on, is the government supposed to adopt the same measure ?

INDONESIA

PAPER PRODUCTION UP

Jakarta BUSINESS NEWS in English 4 Dec 85 p 6

[Text]

Paper production in Indonesia reached 230,268 tons in the first semester of 1985, an increase of about 24.30% over 185,248 tons in the corresponding period of 1984. The increase occurred in the production of cultural and industrial paper, while the production of household paper was down.

Despite the increase in the total production, the utilization of the total installed capacity of the paper industry in the country was down from 56.6% in the first semester of 1984 to 51.1% in the same period this year, Chairman of APKI (Indonesian Pulp & Paper Association) Ir Abubakar Sutikno disclosed here recently.

The decline in the utilization of the total installed capacity of the paper industry has occurred following the start of the operation of a number of new paper plants, such as PT Aspek Paper, PT Ayu Wangi, PT Kertas Leces (expansion), PT Ciri Kimia and PT Pakerin (expansion), in the beginning of this year.

The operation of the new paper plants has raised the total installed capacity of the paper industry from 654,000 tons/year in 1984 to 901,000 tons/year in 1985, up by about 37.76 percent.

Based on the statistical data, Indonesia's imports of paper are estimated at 125,894 tons in the first semester of 1985, up by about 2.43% as against those in the first six months of 1984. The rise

in import volume was registered for industrial paper, while the imports of other kinds of paper slightly declined.

Indonesia's paper exports stood at 17,945 tons from January to June 1984, down by about 0.21% compared with 17,983 tons in the first semester of 1984. The export of industrial paper dropped by 40.55%, while the export of cultural paper rose by 21%.

The consumption of paper in the country is estimated at 338,217 tons in the first semester of 1985, a rise of around 16.55% over 290,169 tons in the corresponding period of 1984.

The production of paper far below the total installed capacity of the paper industry has occurred because of, among other things, the imports of several kinds of paper which have been produced in the country, according to the APKI chairman.

APKI has proposed to the government that the development of the paper industry should be more oriented to the expansion of paper exports. For the purpose, APKI has proposed the penetration of new markets for Indonesian paper by maintaining the issuance of export certificates.

APKI has also mentioned the need to improve simultaneously the structure of the paper industry, particularly that involving the efficiency, rehabilitation & modification of processing machines as well as the improvement of paper quality, Ir. Abubakar Sutikno said.

INDONESIA

PT ARUN'S LNG EXPORT FIGURES

Jakarta ANTARA NEWS BULLETIN in English 2 Dec 85 p A5

[Text] PT Arun, which is producing liquefied natural gas (LNG) from the gas fields at Lhok Sukon, North Aceh, has so far shipped 81,286,271 M3 of LNG, PT Arun public relations officer Husin Syamsuddin told ANTARA recently, adding that since the first shipment of LNG from Lhok Seumawe October 4, 1978, the number of shipments has not reached 652.

The number of shipments shows a tendency of increase, because PT Arun which has five refineries, is capable of producing about 17 per cent above the designed capacity. Each refinery is designed to produce 9,500 M3 of LNG or 1.5 million tons per year, Husin Syamsuddin said.

He went on to say that in 1980 there were 80 shipments; in 1981 the number of shipments increased to 83; in 1982 to 86 and in 1983 to 93.

A sharp increase took place in 1984 with 125 shipments, while the number of shipments in 1985 (until the end of November) reached already 124.

Shipments of Condensate

Beside producing LNG, PT Arun also produces a byproduct in the form of condensate. The first shipment of condensate took place October 14, 1977, one year before the first shipment of LNG.

According to Husin, PT Arun has so far shipped 209,286,759 barrels of condensate through 484 shipments. Condensate production reaches about 110,000 barrels per day.

Husin also said that while all of PT Arun LNG production was exported to Japan for this country's industrial and household requirements, condensate is exported to various other countries.

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CSO: 4200/490

INDONESIA

ARUN-III LNG PROJECT 45 PERCENT COMPLETED

Jakarta ANTARA NEWS BULLETIN in English 3 Dec 85 p A6

[Text] Construction workers of the Arun-III liquefied natural gas project in Lhok Seumawe, North Aceh, have until now been completed 45 percent, the public relations office of PT Arun said recently.

According to the office chief, Husin Syamsuddin, the project is a realization of a contract between Pertamina and South Korea signed on August 12, 1983 for the purchase of two million tons of LNG annually over a 20 year term.

"The construction works of the project are scheduled to be completed in November next year, so its maiden export can be made in early 1987", he said pointing out that all Indonesian LNG production either from the Arun and Badak plants in East Kalimantan at present goes only to Japan.

The sales contract of LNG to South Korea is an effort to expand the country's LNG overseas market, while for South Korea itself, it will be its first LNG import.

By the completion of the Arun-III project, Indonesia's overall LNG export will reach a total of 14.9 million tons going to Japan and 2.10 tons going to South Korea.

/12828
CSO: 4200/490

21 January 1986

INDONESIA

TRADE SURPLUS WITH MALAYSIA

Jakarta ANTARA NEWS BULLETIN in English 3 Dec 85 p A4

[Text] The trade balance between Indonesia and Malaysia has always been in favour of Indonesia in the last five years, except in 1983 when Indonesia had a deficit of US\$ 2.09 million, according to data announced by the Trade Department Monday.

Indonesian exports to Malaysia in 1980 were worth US\$ 59.88 million and Indonesia imports from Malaysia only US\$ 35.86 million, a surplus of US\$ 24.02 million for Indonesia.

In 1981, Indonesian exports decreased to US\$ 59.73 million and Indonesian imports from Malaysia were estimated at US\$ 59.62 million, a deficit of US\$ 0.11 million for Malaysia.

In 1982 Indonesian exports decreased to US\$ 59.08 million and Indonesian imports from Malaysia declined to US\$ 56.27 million, a surplus of US\$ 2.81 million for Indonesia.

Indonesian exports to Malaysia in 1983 declined again to US\$ 57.96 million, but Indonesian imports increased to US\$ 60.05 million, or a deficit of US\$ 2.09 million for Indonesia.

In 1984, Indonesian exports to Malaysia increased rapidly to US\$ 98.18 million, while Indonesian imports increased to US\$ 86.20 million, a surplus of US\$ 11.93 million for Indonesia.

Indonesian exports to Malaysia were mostly coffee, processed wood, crude oil, shrimps, corn, fertilizer, cinnamon skin, and essence oil, while imports from Malaysia were chemicals for the rubber industry.

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CSO: 4200/490

INDONESIA

TRANSMIGRATION FIGURES SINCE 1950

Jakarta ANTARA NEWS BULLETIN in English 3 Dec 85 p A10

[Text] Since the beginning of the transmigration program in 1950 the number of people moved from Java to other areas has been increasing in line with the increase of the national development.

Minister of Transmigration Martino said this in a television forum Monday in view of the commemoration of the transmigration dedication day on December 12.

He said the migration of people from Java to other provinces outside Java before the Pelita (five year plan) totalled 99,196 families. The figure rose to 46,268 families in the first Pelita and 82,959 families in the second Pelita.

In the third Pelita the number rose to 527,876 families, while its original target during the period was 500,000 families. In the fourth Pelita until November 27, the figure was 348,669 families of its original target of 750,000 families.

This government's program is at first aimed at more evenly distributing population throughout provinces, but now the program is linked with the national development activities, Martono said.

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CSO: 4200/490

INDONESIA

PROJECTED NONOIL EXPORTS FOR 1986/1987

Jakarta ANTARA NEWS BULLETIN in English 21 Nov 85 p A6

[Text] Jakarta, 21 Nov (ANTARA)--The volume and value of Indonesian non oil/non gas export in 1986/87 period are projected to increase and will bring in U.S.\$571,972,000.

The estimation was announced by Public Relations of the Department of Mines and Energy here Thursday.

In 1986/87 period, the export of tin is expected to be 22.6 million tons worth U.S.\$249,021,000, bauxite 755,000 tons worth U.S.\$10,912,000, nickel 1,200,000 tons worth U.S.\$21,033,000, fetronickel 4,800 tons worth U.S.\$23,284,000, nickel matte 29,500 tons worth U.S.\$115,837,000, concentrated copper 179,000 tons worth U.S.\$103,000, coal 978,000 tons worth U.S.\$32,260,000 and granite 1,800,000 tons worth U.S.\$16,200,000.

The realization of non oil/non gas export of the 1985-86 period until August 1985 was U.S.\$198,506,000 and in 1984/85 period was U.S.\$542,251,000.

Oil/Gas Export

The data also mentioned that realization of crude oil, oil products, liquefied natural gas (LNG) and liquefied petroleum gas (LPG), during the April-August 1985 period, has reached some 199.7 million barrels worth U.S.\$3,473 million (Rp. 5,938 billion).

The figure comprises 120.9 million barrel of crude oil worth U.S.\$3,340.3 million, 19.6 million barrels of oil products worth U.S.\$505 million, 56.4 million barrels of LNG worth U.S.\$1,582.7 million and 2.8 million barrels of LPG worth U.S.\$45 million.

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CSO: 4200/473

INDONESIA

AMBASSADOR ON OIL EXPORTS TO JAPAN

Jakarta ANTARA NEWS BULLETIN in English 21 Nov 85 p A5

[Text] Jakarta, 21 Nov (ANTARA)--The Indonesian government is to retain its oil exports to Japan accounting for 15 percent of the Japanese total consumption, Indonesian Ambassador to Japan Wiyogo Atmodarminto has said.

The ambassador told Indonesian journalists in Tokyo Tuesday that the Japanese oil consumption had shown a tendency of decline.

In 1980 some 70 percent of the Japanese energy consumption was generated from oil. The figures were dropping to 64 percent in 1985. In the year 2000 it will plummet further to 45 percent. The Japanese demands for fuel oil in 1984 were met by 12.3 percent from Indonesia, People's Republic of China (61.3 percent), Malaysia and Brunei Darussalam 4.9 percent and 71 percent from Middle East countries.

The Japanese long term policy in energy field is to lessen its dependence on fuel oil and by switching to alternative energy sources such as Liquified Natural Gas, nuclear and Liquified Petroleum Gas as well as geothermal energy.

In this respect Indonesia according to Wiyogo will try to retain its oil exports to Japan, accounting for about 15 percent of the Japanese total oil consumption.

The endeavour Wiyogo said, will face a tough challenge especially from China and Alaska.

The balance of payment between Japan and Indonesia in the first nine months of this year had recorded a surplus of 6.01 million U.S. dollars in favour of Indonesia.

Indonesian exports value to Japan in that period accounted for 7.57 million dollars compared with imports from Japan which stood at 1.56 million dollars, a surplus of 6.01 million dollars in favour of Indonesia.

The surplus according to Ambassador Wiyogo, was due to among other things, Japan imported a considerable amount of oil and gas from Indonesia.

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CSO: 4200/473

INDONESIA

CONOCO OIL FIND IN IRIAN JAYA

Jakarta ANTARA NEWS BULLETIN in English 3 Dec 85 p A4

[Text] Conoco Irian Jaya oil company recently discovered oil reserves at the Teluk Bintuni coast, 234 kilometers northwest of Jayapura, Irian Jaya, producing 3,411 barrels of crude oil per day through its Wiriagar 3 well.

In the meantime Conoco Irian Jaya's Wiriagar 5 well is producing 6,000 barrels of crude per day after drilling at a depth of 581 meters.

Conoco Irian Jaya oil company is a subsidiary of Du Pont Company and is working in Indonesia on a product sharing contract with Pertamina state oil company.

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CSO: 4200/490

INDONESIA

MITSUI STRIKES OIL IN IRIAN JAYA

Jakarta ANTARA NEWS BULLETIN in English 6 Dec 85 p A10

[Text] Mitsui Oil Exploration co. said Friday it has struck oil on Indonesia's New Guinea island in a joint exploration with Indonesia Petroleum Ltd. of Japan, a U.S. oil developer and Pertamina, the Indonesian state-run oil company.

Mitsui said the oil find was made at the No. 5 test well in the Bintuni mining zone of the island.

The daily oil output from the well has been confirmed to amount to 3.411 barrels of light crude, whose API (American Petroleum Institute) gravity stands at 40.8, compared with 34 for Arabian Light, a company spokesman said.

According to industry sources, recoverable oil reserves are expected to total five to six million barrels at the zone, some 2.4 kilometers from Bintuni.

Under the agreement with Pertamina, each of the two Japanese companies are entitled to take 18.75 percent of total oil output in the zone.

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CSO: 4200/491

INDONESIA

ROK IMPORTING MORE CRUDE FROM MADURA

Jakarta ANTARA NEWS BULLETIN in English 10 Dec 85 p A7

[Text] South Korea's Honam Oil Refinery Co. plans to import 400,000 barrels of crude oil from Indonesia's West Madura Block later this month, a Korean energy and Resources Ministry official said Tuesday.

Honam bought the crude oil for 10.8 million U.S. dollars at the price of 27 dollars per barrel, the official said.

The crude oil will be shipped from Madura on December 14 and will arrive at the southwestern Korean port of Yosu on December 21, according to the official. The shipment of the madura crude, which was jointly developed by Korea's Kodeco Energy Co. and Indonesia's oil company Pertamina, will be the second brought to Korea by Honam.

In August 1984, Honam bought 445,000 barrels of Madura crude oil at the price of 29.50 dollars per barrel.

In a joint exploration project off the coast of Madura, East Java, Pertamina and Kodeco discovered reserves containing an estimated 22.1 million barrels of crude oil and 400.6 billion cubic feet of natural gas.

Kodeco energy plans to produce 15,000 barrels of oil per day for eight years and to ship all of the oil to Korea.

/12828

CSO: 4200/491

INDONESIA

AIRPORT TO BE MOVED FROM PADANG TO KETAPING

Jakarta ANTARA NEWS BULLETIN in English 9 Dec 85 p A6

[Text] West Sumatra provincial administration has planned to move the Tabing airport from Padang, capital of the province, to Ketapang, about 25km north of that capital city of West Sumatra.

Speaking to ANTARA here Sunday, Sukarni, secretary of the provincial administration, disclosed that the plan to move the airport had been reported to the Central Government.

The official said that the government has asked the Japanese International Cooperation Agency (JICA) to survey the location of the airport. The agency has concluded that it is impossible to enlarge the runway of the Tabing airport.

Jica has observed that Ketaping is the only place suitable for the opening of an airport that can serve DC-10 and the kind, he stated.

Ketaping, is a large coastal area.

Majority of land in Ketaping which is located between Padang and the town of Pariaman belong to the government, while the location is also far from hills, he added.

/12828

CSO: 4200/491

INDONESIA

NURTANIO PLANNING TO PRODUCE NEW TYPE OF AIRCRAFT

Jakarta ANTARA NEWS BULLETIN in English 9 Dec 85 p A4

[Text] Indonesia is currently making preparations for the manufacturing of aircraft which will have a capability of transporting 85 to 130 passengers at Mach 0.82, State Minister for Research and Technology Prof. B.J. Habibie said here Saturday.

He said the aircraft is designed to save fuel about 20 to 30 per cent than that of the airbus.

"All preparations are still underway, and the aircraft is scheduled to materialize and to be on sale by 1992", Habibie said.

According to Habibie, who is also chairman of the Agency for the Assessment and Application of Technology (BPPT) and President Director of the Indonesian aircraft industry PT Nurtanio, the designed aircraft will have the size as big as Fokker F-28 or DC-9.

Answering a question on a plan of the Indonesian flag carrier Garuda Indonesian Airways to change its DC-9 armada with the Indonesian-made aircraft in the future, Habibie said that PT Nurtanio is still negotiating with an American aircraft manufacturer, Boeing, for the establishment of a cooperation. The negotiation was started last year, and the American company will in the near future send its representatives to continue the negotiation in Jakarta, he added.

According to Habibie, the Indonesia's negotiating team has just returned from Long Beach, the United States, after having a discussion with the management of MacDonal Douglas on the possibility of establishing a cooperation as had been done between PT Nurtanio and a Spanish aircraft manufacturer in producing CN-235 aircraft.

He did not rule out the possibility of establishing a cooperation with a West German company for the same purpose.

/12828
CSO: 4200/491

INDONESIA

PRODUCTION OF 1.3 MILLION TONS OF SOYBEANS PLANNED

Jakarta ANTARA NEWS BULLETIN in English 9 Dec 85 p A6

[Text] In the 1986 planting season Indonesia is expected to be capable of producing 1.3 million tons of soybeans to meet domestic demands, so that the import of 400,000 tons to cover the shortage so far could be discontinued.

Director of food crop agricultural enlightenment, Hidayat, informed ANTARA here Saturday that the projected self-sufficiency, which was announced November 10, 1985, was expected to be achieved through integrated intensification as well as the utilization of high technology. He also said that soybean is required as foodstuff as well as to meet industrial and cattle fodder production demands. But regrettably production is so far lagging behind the demands, he added.

Hidayat was optimistic that soy-beans cultivation could be stepped up, taking into consideration the low expense and very short planting time of soybeans compared with paddy. Soy-beans selling price is also never below the fixed cost-price of Rp.300. Apart from that various superior seeds are now available, which can yield one to two tons per hectare compared to only three to seven quintals per hectare from the local variety, Hidayat said.

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CSO: 4200/491

INDONESIA

COAL EXPLORATION AGREEMENT SIGNED

Jakarta BUSINESS NEWS in English 22 Nov 85 p 9

[Text]

The Indonesian coal mining public corporation Perum Tambang Batubara has engaged in a cooperation agreement for exploration/exploitation of coal deposits with PT Chung Hua Overseas Mining Development. Minister of Mines & Energy Prof. Dr Soebroto witnessed the signing of the cooperation agreement here recently.

PT Chung Hua Overseas Mining Development is the ninth foreign company engaging in cooperation with Perum Tambang Batubara in exploration/exploitation of coal deposits in Indonesia.

Minister Soebroto disclosed on the occasion that eight other foreign companies which had signed cooperation agreements with Perum Tambang Batubara had started their exploration activities in Kalimantan. PT Allied Indo Coal, one of the eight contractors, has even started a feasibility study for the exploitation of coal deposits. Three other contractors -- PT Kideco Jaya Agung, PT Arutmin and PT Utah Indonesia -- are currently making preparation to start their feasibility study.

Concerning the realization of coal exploration, Soebroto pointed out that over 1,300 drillings with a total depth of 96,000 m had been carried out till the end of 1984. As a result, coal deposits with an estimated total capacity of 1.7 billion tons have been discovered.

PT Arutmin Indonesia has struck around 300 million coal reserves in the Senakin peninsula, South Kalimantan. From deposits found in Senakin, the company is

expected to begin producing coal with a high caloric content and low sulphuric content by 1986. When productive, the company will supply 60,000 tons of coal to the Suralaya thermal power plant in Banten, West Java, every year.

Indonesia's coal production in 1984 stood at about 1,458,152 tons from the Ombilin coal mine, the Bukit Asam coal mine and small coal mines managed by national private companies. The national coal production is expected to increase to 1.75 million tons this year.

The cooperation agreement in exploration/exploitation of coal deposits between Perum Penambangan Batubara and PT. Chung Hua Overseas Mining Development involves an operational area covering 150, 300 ha located in the east of Banjarmasin, South Kalimantan.

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CSO: 4200/473

INDONESIA

MINISTER GIVES DETAILS ON TV STATION FIRE 30 DEC

BK301111 Jakarta Domestic Service in Indonesian 0507 GMT 30 Dec 85

[30 December briefing by Indonesian Information Minister Harmoko on a fire that has gutted Jakarta television station--live or recorded]

[Text] This morning, I reported to the president [Suharto] on the fire that has gutted the Television of Republic of Indonesia [TVRI] building at Senayan, Jakarta. First of all, I must let you know that at 0150 West Indonesian Time [1850 GMT 29 December], two TVRI employees saw a flame originating from the storeroom for employees' clothing materials located at [words indistinct]. The Senayan (?television station complex) consists of two buildings, namely the main office building and the other one for television broadcasting located on an area of about 4 hectares. In a short time, the fire began to raze the rooms housing electronics equipment and [words indistinct].

As soon as the fire broke out, security personnel from the TVRI itself, capital garrison, police force, and firefighting units immediately went into action to extinguish the blaze by mobilizing about 37 fire engines. These people fought the fire until about 0530 West Indonesian Time. The 5-story building has electronic equipment which connects the television station at Senayan with the state telecommunications office at Gatotkaca Road, which in turn connects it to the Palapa satellite ground station at Cibinong. Most of the electronic equipment at the Senayan station was saved thanks to the vigilance of the TVRI employees and the security personnel. This equipment included [words indistinct].

Neither the building for television broadcasting nor the main office were heavily damaged. Therefore, the only problem is to maintain the continuity of the television broadcast, and all TVRI employees are determined to transmit television programs as usual. What we are doing now is to (?safeguard) the transmission link between the station at Senayan and the state communications office at Gatotkaca Road and [passage indistinct].

One thing I can assure you of is that the TVRI will be on the air as usual on 30 December and that the TVRI employees are keeping the slogan "once on the air, always on the air" [passage indistinct]. I must also tell you that the (?coordinated) efforts to extinguish the fire were very praiseworthy because I was present at the scene at about 769 and I saw all TVRI employees coming in to help rescue the station electronic equipment.

As for the cause of fire, an intensive investigation is now underway and all security agencies are involved in finding its cause. I must let you know that there is no human casualty. As the fire razed the building for storing non-essential operational equipment, the only thing that cannot be rescued is employee clothing materials, office furniture, and [words indistinct] while initial damage is estimated at about 1 billion rupiah.

A conclusion can be drawn that despite the efforts exerted by the TVRI employees to carry out preventive measures against fire hazard, I believe that this morning's fire was (?beyond our expectation). For this reason, I call on all TVRI employees who are assigned both in Jakarta and other parts of the country to further increase their vigilance.

Besides, the president also gave his instruction to all Information Department personnel to increase their national vigilance. He believes that media information especially the Radio Republik Indonesia [RRI] and the TVRI, is a tool of struggle not only for making development programs a success, but also for increasing national vigilance. Therefore, he instructed that a comprehensive investigation be carried out to make sure whether the incident was due to carelessness, accident, or other causes. Therefore, he stressed that those working at the RRI and TVRI must increase their vigilance. Security personnel are then urged to hold firefighting exercises and [words indistinct]. Any damage suffered by the RRI and TVRI will hamper development programs and affect the national interest because RRI and TVRI are both a tool of national struggle.

/12232

CSO: 4213/64

INDONESIA

BRIEFS

MOKHTAR ON VISIT, CAMBODIA—PNG Foreign Minister (Wagi) is scheduled to visit Indonesia around the end of January 1986. Foreign Minister Mokhtar Kusumaatmaja disclosed this at his weekly news conference in Jakarta today. He added that the agenda of talks between the two foreign ministers is now being prepared and will include ways to strengthen bilateral relations. Speaking on the Cambodian problem, Minister Mokhtar believes that there is progress toward a solution, especially in view of the fact that all parties, including ASEAN and Vietnam, have accepted Indonesia's 12-point proposal as a general framework for seeking a solution to the problem. The next step will only be a confirmation of the stands adopted by the 2 sides toward all issues mentioned in the 12-point proposal. On 31 December Foreign Minister Mokhtar Kusumaatmaja will issue a yearend statement on Indonesia's foreign relations. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 27 Dec 85 BK] /12232

CSO: 4213/64

LAOS

PASASON URGES NEW ACHIEVEMENTS IN 1986

BK041212 Vientiane Domestic Service in Lao 0500 GMT 1 Jan 86

[PASASON 1 January editorial: "Let Us Score New, Glorious Achievements in the New Year"]

[Text] Even though in 1985, the struggle between the two [word indistinct] socialism and capitalism--was carried out in a fierce, uncompromising, and complicated manner, outstanding phenomena marking the milestones of our revolution were also observed. They were the 30th anniversary of our party and the 10th anniversary of the LPDR. To welcome the two events, all Lao people strived to make great achievements and win significant victories. These two events can never be forgotten by the Lao people. The results of these two miraculous events were achieved thanks to the implementation of the party's numerous resolutions, such as the seventh resolution adopted by the party Central Committee on the tasks of defending and building our socialist country.

In national defense and public security work, we managed to smash the dark schemes and maneuvers of the imperialists, the Beijing big-nation expansionists and hegemonists, and other reactionary forces. In the economic field, the movement to set up agricultural cooperatives was consolidated and developed in a calculated manner. At the moment there are 3,378 agricultural cooperatives and 4,750 labor-exchange units throughout the country. The collectivization of agricultural production has been basically completed in five provinces: Oudomsai, Phong Saly, Houa Phan, Xieng Khouang, and Champassak. Commendable achievements were also made in the industrial field, in which production increased by four percent compared to 1976. There are 295 factories of various types in operation, while electricity production capacity has increased from 30,000 kilowatts to 150,000 kilowatts.

In the communications and transport field, there is a total of 12,983 km of roads, 377 bridges--including 12 concrete bridges, and roads leading to the sea.

In the trade sector, there are some 1,700 trading cooperatives, thus increasing tenfold the circulation and distribution of goods to the grass-roots level. In education, there are 198 child care centers, 489

kindergarten schools, 7,490 elementary schools, 495 secondary schools, 68 senior high schools, 4 high-level specialized schools, 2 universities, 21 intermediate vocational training schools, 46 elementary teachers training schools, 17 intermediate teachers training schools, and many other educational institutes.

In the public health field, there are four central hospitals, 16 provincial hospitals, and 106 district hospitals, and 700 local health stations with over 9,000 medical cadres.

In addition, achievements were also made in many other fundamental fields, thus serving to increase the prestige and honor of our young republic internationally.

The glorious achievements of our people in recent years have given great revolutionary strength, encouraging us to march forward to implement the 1986 plan and the second 5-year state plan with a sense of great confidence.

The old year has just passed by with great victories, leaving behind great joy and happiness for our people. Under the correct and clear-sighted leadership of the LPRP, headed by beloved and respected Comrade General Secretary Kaysone Phomvihane, we are firmly convinced that in the coming year our party and people will have enough capabilities to lead our country along the path of socialism, to make effective preparations to convene the fourth party congress, and to create a joyous atmosphere full of confidence so as to march forward to triumphantly implement the second 5-year state plan.

By further enhancing the tradition of heroism and being as strong as steel and with strong conviction, we firmly believe that in 1986, under the wise and clear-sighted leadership of the LPRP coupled with the hard-working tradition of our people of all tribes throughout the country, with effective support from the fraternal socialist countries--especially Vietnam and Cambodia--and with the all-round cooperation from the Soviet Union, the socialist and friendly countries, the international organizations, and all progressive movements in the world, our tasks of defending and building our socialist country will see new, even greater victories.

On the occasion of the international new year, we wish our people of all tribes and our workers good health.

May you win new victories in the new year!

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CSO: 4206/46

LAOS

VIENTIANE ON NEED TO TRAIN MANAGEMENT CADRES

BK050338 Vientiane Domestic Service in Lao 1400 GMT 28 Dec 85

[Editorial: "The Building and Improvement of Economic Management Cadres in a Very Important Task"]

[Text] Guiding and building new economic foundations are a main task and role of a state of proletarian dictatorship. Because of this very important task the party is required to possess ranks of competent cadres responsible for victoriously implementing the formulated management line and mechanisms.

In the past, our party and state made great efforts to implement the contents and spirit of the resolutions of the third party congress in building and strengthening the ranks of party and state cadres in both quantity and quality--cadres who are capable of fulfilling the heavy and complex tasks of the revolution in the new period. The ranks of our cadres have undergone training and tempering and have possessed experience during the national salvation struggle against wars of aggression. Nevertheless, they are not yet skillful in economic, scientific, and technical management; and they are still weak in their ability to apply the economic policies and plans and the management system of a socialist state to the people's living conditions and businesses.

For this reason, the building and training of cadres to possess economic and academic knowledge has become a very important and urgent task. Now that economic construction and development in our country has entered the new phase, the state financing system no longer conforms with the situation. Our party and state have formulated a new line for modifying economic management, implemented new management mechanisms, linked planning with economic calculation and socialist businesses, broadened the right to initiative of various key economic units in their production and business, and classified management levels for localities and the grassroots in order to build a new business management organization. Thanks to these requirements the party has found it necessary to build and train economic cadres so that there will be competent cadres for various key economic units, particularly various factories, plants, and companies, aimed at ensuring the availability of key and competent cadres in charge of socialist business management.

The task of building cadres is a main and long-term duty. Regarding this, we must map out a complete set of policies and action plans on the selection, utilization, training, and assignment of cadres. In the immediate future, it is necessary to train and raise their level of knowledge on economic management and management technique. This is to ensure the successful implementation of the party's economic management modification policy and line and regulations governing businesses announced and enforced by the Council of Ministers.

Economic guiding cadres from the grassroots and upward must be educated and trained to understand new management mechanisms and economic management technique. The cadres having a low cultural level must be given additional cultural training; the young cadres graduated from foreign countries and having economic knowledge must be sent to the grassroots to the practical training. The contents and direction for building and training cadres must be changed--that is, they must be built systematically and in depth. In training cadres, the study of fundamental economic theories must be linked with the settlement of actual production and business problems at the grassroots. This is to train cadres to have the ability to creatively apply theories to practical deeds.

It is necessary to coordinate the training of cadres in schools with field training in accordance with the principle of working simultaneously with studying. It is also necessary to review the experience gained by some outstanding units and publicize it in order to select useful experience for cadres. This is an effective method.

To pay attention to and to take the initiative in training and building cadres is a duty of branches of work at various levels, state economic management organizations, and of each key economic unit. At the same time, this training and building must be based on the awakening of each cadre. Cadres must be conscious in studying. They may learn from books, study while working, and learn from experts. They must also systemize this studying and learning.

To guide the building of new economic bases, our party has adopted a correct economic line and management mechanism conforming with the true situation in Laos. Meanwhile, we must have ranks of competent and qualified cadres to implement and fulfill the party's line and management mechanism. The building and training of cadres is aimed at fulfilling this goal. Therefore, leading organs at various levels and state management organizations at all levels must always organize studying in schools, studying on the spot, and field training for cadres. This is to draw valuable experience in each branch of work and ensure new steps in production and in the improvement of our living conditions. We must join in vigorously mobilizing the studying movement to raise cadres' level of economic and technical management knowledge and to swiftly fulfill the correct plans and policies of the party and state.

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CSO: 4206/46

LAOS

PASASON URGES CHANGES IN ECONOMIC MANAGEMENT

BK310428 Vientiane Domestic Service in Lao 0500 GMT 16 Dec 85

[16 December PASASON editorial: "Pay Attention To Readjusting Enterprise Management To Effect True Changes"]

[Text] After implementing the directive on the transformation of economic management mechanisms as adopted by the party and state in the new stage of revolution, economic units have adopted new practical methods to effectively run business operations. As a result, labor productivity has increased; various enterprises have made business profits; production work has considerably broadened; and more contributions have been made to the state budgets. Simultaneously, the living conditions of cadres and workers have gradually improved. Bureaucratic management based on the state-financing system and the operation of production businesses in a way that does not take into consideration gains or losses have been gradually eliminated, while a new business management mechanism based on economic calculations and the operations in accordance with socialist principles are being put into actual practice. This initial progress has contributed to [word indistinct] the economic units to develop production businesses in an increasingly efficient manner.

In order to promote and expand good points and increase fruitful achievements, and to enable economic units to effect new changes in the management of production businesses, on 19 November 1985 the Council of Ministers of the LPDR issued a decree on the enforcement of provisional regulations regarding state enterprises, regulations consisting of 6 parts and 20 articles outlining principles for organizing production and managing the business of economic units. To turn these regulations into reality, and to do away with bureaucratic management based on state financing and continuously implement the management of business operations in accordance with socialist principles, we must solve many problems. One urgent and significant problem regarding the new management mechanism is the implementation of rights to self-mastery for economic units running businesses and the right to self-responsibility for production bases to guarantee and increase their production achievements. Based on state plans, the economic units are authorized to make plans to implement the economic calculation system in order to guarantee a profit in running businesses, the expansion of production, the daily accumulation of assets for the state, and the daily improvement of workers' living conditions.

The economic units have the right to take the initiative in running production businesses and guaranteeing rights to self-mastery in dealing with financial issues. They have the right to make use of their own capital and assets of various types to gain interest for factories, the state, and workers. Economic units have the right to select, accept, and use labor to serve their production requirements. They also have the right to suspend workers. At the same time, they are authorized to develop a format for paying salaries and to appropriately give out commendations and rewards in order to promote the production development and to encourage workers to work more efficiently.

These are significant ideas intended to promote and expand initiative and the creative characteristics of economic units for the purpose of exploiting existing potential to overcome all problems and guarantee production and the effective use of machinery to achieve efficiency in running the production businesses. To guarantee the right to self-mastery for economic unit businesses, it is necessary to clearly and correctly establish the relations between the economic administration and the management of socialist enterprises. Primarily, it is necessary to set forth the management roles of the state and economic units. In the past, we were confused over this issue, as a result of which the state failed to correctly carry out management and thus interfered in the business of economic units. As a result, these units had no rights to self-mastery in operating their production businesses. Therefore, they just did what they felt they could do or just let things happen without taking profit or loss into account and with no spirit of responsibility for production achievements.

The provisional regulations clearly outline the direction and methods for the cadres of various branches to fulfill their roles and responsibilities in readjusting economic management. These directives and methods also enable the economic units to march forward, to take the initiative in carrying out their businesses in an increasing effective manner. These provisional regulations on state enterprises--as announced to be enforced by the Council of Ministers--reflect the spirit and content of the resolution of the party Central Committee to eliminate bureaucratic management based on state financing and replace it with a new management based on state financing and replace it with a new management system for operating businesses. This readjustment of the system is regarded as being of great significance to our nation's economy.

Leading committees at various levels and from various branches, particularly the economic units, must therefore strictly study and discuss these new regulations. At the same time, the state's economic units must adopt concrete methods for implementing these regulations for the purpose of effecting true changes in the operation of production businesses.

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CSO: 4206/46

LAOS

CENTRAL COMMITTEE GREETES INDIAN CONGRESS PARTY

BK021056 Vientiane KPL in English 0920 GMT 2 Jan 86

[Text] Vientiane, 2 Jan (KPL)--The LPRP CC on 25 December sent a message of greetings to the Central Committee of the Indian Congress Party.

The message says:

"On the occasion of the 100th founding anniversary of the Indian Congress Party, on behalf of the party members and people of Laos, the LPRP CC would like to convey to the Central Committee of the Indian Congress Party, its members and to the people of India our warm congratulations and best wishes.

"Since its founding, the Indian Congress Party has unceasingly struggled against oppression and domination of foreign imperialists for national independence, freedom, democracy and happiness of the Indian people. Following the just cause of Mahatma Gandhi and Jawaharlal Nehru, the Indian congress party pursues a foreign policy of peace, friendship. It struggles for a halt to the arms race and against nuclear war. So doing the prestige of India has been raised in the Non-alignment Movement and in the international forum.

"We are convinced that the fine relations of friendship between the LPRP and the Indian Congress Party and between the peoples of the two countries will be further developed, and we thank the Indian Congress Party for its support and help to the Lao people in the past struggle for national liberation as well as in the present period of the national defense and construction in Laos.

"On this auspicious occasion, we would like to wish the Indian Congress Party and members of the party leading committee successes in building a prosperous India.

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CSO: 4200/496

LAOS

WELL-WISHING CEREMONY HELD FOR CUBAN EXPERTS

BK301318 Vientiane KPL in English 0905 GMT 30 Dec 85

[Text] Vientiane, 30 Dec (KPL)--On the occasion of the 28th Cuban national day, the Foreign Experts Management Department of the Council of Ministers, on 28 December, held here a wishing ceremony to Cuban experts working in Laos.

The ceremony was attended by Phao Bounnaphon, member of the party CC, minister of transport and post, president of the Lao-Cuban Cooperation Committee, together with other ministers, deputy-ministers and high ranking officials.

Mario U. Garcia Vazquez, Cuban ambassador to Laos and other Cuban embassy staff members were also present.

On behalf of the Lao PDR and the Laos-Cuban Friendship Association, Phao Bounnaphon congratulated the great achievements scored by the Cuban people in the past 27 years, describing them as a significant factor highly raising the prestige of Cuba in international forum. Phao Bounnaphon also expressed his profound gratitude to the party, government and the people of Cuba for their valuable and effective assistance accorded to the Lao revolution in the past as well as at present. He also wished the fraternal solidarity and cooperation between Laos and Cuba be fully developed and strengthened, and good health and successes to Cuban experts working here.

He also requested them to convey Lao people's best wishes to the party, government and the people of Cuba.

On behalf of Cuban experts to Laos, Mario U. Garcia Vazquez highlighted the development of fraternal solidarity and achievements jointly scored by Lao and Cuban people in their mutual cooperation in the past years, and thanked the party, government and the people of Laos for their assistance and hospitality given to the Cuban experts.

The Cuban ambassador also pledged to do his utmost to further develop the mutual cooperation and assistance between the two countries.

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CSO: 4200/496

LAOS

LEADERS GREET CUBAN COUNTERPARTS ON NATIONAL DAY

BK311439 Vientiane KPL in English 0911 GMT 31 Dec 85

[All quotation marks as received]

[Text] Vientiane, 31 Dec (KPL)--The Lao leaders have sent a message of greetings to Fidel Castro, first secretary of the Communist Party of Cuba CC, president of the State Council, and chairman of the Council of Ministers of Cuba, on the occasion of the 27th Cuban National Day.

The message is jointly signed by Kaysone Phimmichan, general secretary of the Lao People's Revolutionary Party CC, chairman of the Council of Ministers, and Souphanouvong, president of the Lao PDR.

The Lao leaders highlighted the great successes of the Cuban people in the national liberation and defense and in socialist building under the leadership of the Communist Party of Cuba.

"The achievements gained by the Cuban people, continues the message, have contributed to the strengthening of the socialist community and the struggle of the world people for peace, national independence, democracy and social progress".

"We wholeheartedly hail the successes of the fraternal Cuban people and regarded them as our own.

"We are convinced that the existing fraternal and friendly relations, the combatant solidarity and the close cooperation between our two parties, governments and peoples will be further consolidated with each passing day".

On the same occasion, Phoun Sipaseut, vice-chairman of the Council of Ministers, minister for foreign affairs, also sent a message of greetings to his Cuban counterpart Isidoro Malmierca.

/9738

CSO: 4200/496

LAOS

BRIEFS

SOUPHANOUVONG GREET'S 'ARAFAT--Vientiane, 4 Jan (KPL)--President Souphanouvong, on January 1st, sent a telegram of greetings to Yasir 'Arafat, chairman of the Executive Committee of the PLO and commander-in-chief of the Palestinian Revolutionary Forces (PRF). The telegram says: "On the occasion of the 21st founding anniversary of the PRF, on behalf of the PSA, government and people of Laos, and in my own name, it is a great pleasure for me to convey to you and, through you, to the heroic Palestinian people my warm congratulations and best wishes of success and prosperity. I also like to avail myself of the opportunity, to reaffirm the unchangeable stance of the government and people of Laos in support for the friendly Palestinian people's just struggle against imperialists and Zionists for the inalienable national rights of self-determination and the setting up of an independent state in the Palestinian soil." On the same day, Phoun Sipaseut, vice-chairman of the Council of Ministers, minister for foreign affairs, also sent a telegram of greetings to Faruq Qaddumi, PLO General Political Department head and member of the Executive Committee of the PLO. [Text] [Vientiane KPL in English 0905 GMT 4 Jan 86 BK] /9738

BURMESE NATIONAL DAY--Vientiane, 4 Jan (KPL)--Kaysone Phomviharn, chairman of the Council of Ministers, today, sends a congratulatory telegram to the prime minister of the Socialist Republic of the Union of Burma, U Maung Maung Kha, which reads: "On the auspicious occasion of the 38th anniversary of the Independence Day of the Socialist Republic of the Union of Burma, it gives me much pleasure to convey, on behalf of the Council of Ministers and the people of the Lao People's Democratic Republic, my warmest congratulations and best wishes to Your Excellency, and through you, to the government and people of the Socialist Republic of the Union of Burma. "May the Burmese people have successes in the development of their country thus contributing to safeguarding peace and security in Southeast Asia and in the world. "I have the firm conviction that the existing good friendship relations between our two countries will be promoted and further developed." [Text] [Vientiane KPL in English 0901 GMT 4 Jan 86 BK] /9738

MESSAGE SENT TO SRUB--Vientiane, 4 Jan (KPL)--Souphanouvong, president of the Lao PDR, today sends a National Day greeting message to his Socialist Republic of the Union of Burma [SRUB] counterpart, U San Yu. The telegram

reads: "On the occasion of the Independence Day of the SRUB, I have great pleasure in extending on behalf of the People's Supreme Assembly and the people of the Lao PDR, and on my own behalf, our heartiest congratulations and warmest felicitations to Your Excellency and the people of the Socialist Republic of the Union of Burma. Please accept, Your Excellency, my best wishes for your personal good health and happiness and prosperity of the friendly Burmese people." [Text] [Vientiane KPL in English 0858 GMT 4 Jan 86 BK] /9738

USSR DELEGATION RECEIVED--Vientiane, 25 Dec (KPL)--Sali Vongkhamsao, vice-chairman of the Council of Ministers, and chairman of the state planning committee, receives here today a delegation of the state planning committee of the USSR headed by Semionov Ilya Ivanovich, [name as received] deputy director of the planning department for economic relations with foreign countries of the USSR state planning committee. During the meeting, the two sides discussed issues on economic, trade, scientific and technical cooperations between the Lao PDR and the USSR within a framework of the second five-year plan (1986-90). Sali Vongkhamsao, on this occasion, expresses gratitude to the Soviet Union for its cooperation with and great help to the Lao revolution basing on socialist internationalism. The Soviet delegation arrived here yesterday to work out a draft of a protocol on planning coordination between the Lao PDR and the Soviet Union in 1986-90, which is to be signed soon between the two state planning committees of the two countries. [Text] [Vientiane KPL in English 0904 GMT 25 Dec 85 BK] /9738

SOVIET MAGAZINE DELEGATION--Vientiane, 28 Dec (KPL)--The editor-in-chief of the KOMMUNIST magazine of the CPSU Central Committee Y.N. Anphanacev [name as received] and his delegation, on 26 December, left here after ending its 10-day friendly visit here at the invitation of the editorial board of ALOUN MAI (NEW DAWN) magazine of the LPRP CC. During its stay here, the delegation paid a visit to Khamma Phomkong, deputy-head of the Propaganda and Training Board of the party CC, and editor-in-chief of ALOUN MAI periodical. It also visited various production bases in Vientiane and northern Luang Prabang province. [Text] [Vientiane KPL in English 0913 GMT 29 Dec 85 BK] /9738

ART TROUPE TO USSR--Vientiane, 27 Dec (KPL)--A 22-member Lao classical art troupe led by Khamphieu Bouaphachan, director of the National Conservatoire, left here on 25 December for the Soviet Union and the Socialist Republic of Czechoslovakia [SRC]. During its two week tour, the troupe will preform some well known Lao classical music and dances. It is hoped that through this tour, cultural ties between Laos and the Soviet Union, on the one hand, and between Laos and the SRC, on the other, will be further enhanced. [Text] [Vientiane KPL in English 0910 GMT 27 Dec 85 BK] /9738

CSSR'S NONINTEREST LOAN--Vientiane, 30 Dec (OANA-KPL)--The Czechoslovak Socialist Republic has offered 1 million rubles as non-interest loan to the Lao PDR. The agreement was signed here on 28 December by Sompadit Volasan, deputy minister of trade, and J. Myslivecek Czechoslovak ambassador

to Laos. This sum of money will be used in the exploration of mine in the coming year. [Text] [Vientiane KPL in English 0911 GMT 30 Dec 85 BK] /9738

GDR, INDIAN MEDICAL AID--Vientiane, 30 Dec (OANA-KPL)--One ton of antibiotic and medicines for the treatment of dengue from the solidarity organization of the GDR was handed over here to the Ministry of Public Health, on 27 December. The medicine was presented to Ponnem Dalaloi, deputy-minister of public health, by Dietrich Jarck, ambassador of the GDR to Laos. On the same day, two more tons of medicine from India was also handed over to Ponnem Dalaloi by the Indian ambassador to Laos Shiv Kumar. [Text] [Vientiane KPL in English 0912 GMT 30 Dec 85 BK] /9738

CUBAN POULTRY COOPERATION--Vientiane, 31 Dec (OANA-KPL)--The Lao-Cuban friendship poultry farm at Naphok, Saithany District, Vientiane, was handed over to Laos on 27 December. The first phase of this project built with the help of the Republic of Cuba was completed on 30 November, and the second and last one is expected to be finished in the preliminary stage of the implementation of the second five-year plan. Present at the handing-over ceremony were Phao Bounnaphon, member of the party CC, minister of transport and post, president of the Lao-Cuban Cooperation Committee, Khambou Soumisai, member of the party CC, mayor of Vientiane, president of the Laos-Cuba Friendship Association Khamsing Siagnakon, deputy-minister of agriculture, irrigation and cooperatives, and other officials. Mario U. Garcia, Vazquez, Cuban ambassador to the Lao PDR, was also on hand. [Text] [Vientiane KPL in English 0915 GMT 31 Dec 85 BK] /9738

VIENTIANE ART TROUPE--Vientiane, 27 Dec (KPL)--The Vietnamese second military zone art troupe which toured the northern Luang Namtha Province at the time of the 10th anniversary of Laos completed its visit. During the tour, 18 programs were presented to more than 5,000 people. The visit of this Vietnamese art troupe is to help promoting closer cultural ties between the two sides. [Text] [Vientiane KPL in English 0912 GMT 27 Dec 85 BK] /9738

CSO: 4200/496

MALAYSIA

MAHATHIR ADDRESSES PEOPLE ON NEW YEAR'S EVE

SK011411 Kuala Lumpur Domestic Service in Malay 1300 GMT 31 Dec 85

[Prime Minister Mahathir Mohamed's 31 December year-end speech--recorded]

[Text] Peace be upon you! We thank God Almighty for allowing us together to see through the year 1985 and enter the new year 1986 in a few hours. The past year was one of challenges, but thanking God, we have succeeded in passing it with patience and perseverance. The world economic recession has affected our country. The prices of primary commodities such as natural rubber, tin, palm oil, and others on which our country mainly relies for foreign exchange have fallen to their lowest levels. As a result, many workers in the private sector have lost their jobs. The government is taking the matter seriously and seeking ways to overcome it. Various steps have been taken to relieve the people's burden. Each ministry, department, and government agency has been directed to take into account the country's financial difficulties in every planned project. What is important in facing this situation is that our lifestyles should be in line with our incomes. We should lower our expenses when our incomes decline. In other words, in times of difficulty, we should tighten our belts and spend within our capacity. This step should be taken not only by the government but also by every individual. Our country is incurring debts to maintain our high living standards, and the burden of repaying these debts will slow down our recovery in times of difficulties. Accordingly, please be patient during the current recession. We hope, God willing, that we will be given happiness by Him. Meanwhile, all of us should enhance our productivity to overcome the effects of the recession. Enhancing productivity means more work and less expense. As a result of which more products can be bought by more people at home and can compete more effectively abroad. Statistics show that Malaysian products are more expensive than those of other developing and developed countries because our productivity is low.

Ladies and gentlemen: In the political arena, our country remains stable and peaceful despite political challenges. The sense of responsibility which is part of the attitude of the Malaysian people has enabled us to settle the issues involving political parties in a just and democratic way. Several problems [words indistinct] will be resolved through a calm process. What is important is that in our country, the political winners should not be so greedy that they monopolize all profits. Through this spirit, cooperation and understanding can be reestablished despite previous serious disputes. Indeed,

[words indistinct] for any politician or political party in a heterogeneous country to win wide support by using the issues of race and religion. However, this action is very dangerous and will quickly bring about evil not only to the public but also those using these issues. Thus, we in Malaysia should be careful about our words and deeds. We should always take into account the heterogeneous composition of our society. We should always be moderate and tolerant in all activities. We can make criticisms and voice our views openly, but we should know the limits. Freedom of speech does not mean that we can make slanders and accusations arbitrarily. In addition, we cannot speak too freely [words indistinct] in society. Every member of society is indirectly bound by a social covenant or [words indistinct].

No one can enjoy the benefits of the social life without bearing his or her responsibility to society. In a heterogeneous society like ours in Malaysia, no one can impose his or her own wishes. We have set the rights and forms of our society, and we should no longer question the consensus agreed upon. The act of digging up old issues will cause reactions which will threaten the peace and stability of our society. The government will not hesitate to take action against anyone threatening the stability and security of the country.

Ladies and gentlemen: Recently a very sad incident took place in our country. The incident in Memali tarnished the good name of our country. As a result of wrong teachings, the followers of Ibrahim Mahmud came to believe that one can commit bloodshed against certain people and some government personnel. Therefore, wearing the talisman that was said to make the wearer invulnerable, Ibrahim's followers attacked the police with shotguns and other weapons. The first few shots from Ibrahim's followers killed or injured some policemen who never thought they would be ambushed. The people who fired the shots and caused deaths were not ordinary criminals but they became murderers as a result of Ibrahim's teachings and slanders. Following that, several of Ibrahim's followers were killed and injured. Ibrahim's followers became the victims of his teachings. What a waste that Ibrahim's followers should die, cheated by the nonsense taught by him. This is an example of the negative effect from the infidel issue and from the misuse of the Islamic religion for political and personal interests. As a democratic country, we cannot allow such groups to do as they please and influence and manipulate the people through deviationist propaganda. The government will continue to take stern action and due measures to eradicate any criminal activities and any activities that may threaten the peace and security of the country. The government will not bargain with anyone at all who uses force to challenge the country's laws and forces the people to accept their opinions and views.

Ladies and gentlemen: The country will not be safe and peaceful if its laws are not respected and abided by. As citizens who love this country, our birthplace, we should always support the national law. The opinion that one can make [word indistinct] and enforce his own legislation will spark chaos in the country. Nobody is safe by claiming ignorance of the country's laws and the authority. Any law drafted, approved by parliament, and enacted in a country must be correctly enforced. This is what we have been doing in our country, and the practice applies to both general law and Islamic law.

Ladies and gentlemen: In conjunction with the approaching new year, I would like to call on all Malaysians to renew their determination to further enhance mutual cooperation and understanding. Although it is true that we still face various problems, that should not serve as an excuse for us not to cooperate and unite. Certainly, there are groups and particular factions that try to use the problems we are currently facing as a means to divide us, but we should bear in mind that the aim of these groups is not to solve our problems, but to use these problems to advance their own narrow interests. We should also remember that we have faced other problems and learned many lessons in the past. We used to be successful in not allowing those situations to reoccur as a result of the close unity, strong understanding and cooperation within the complex society of our country. With solidarity, understanding, and cooperation, we have achieved success in various fields such as politics, economy, social life and so on. We have been able to enjoy development success and economic growth which has been recognised and praised by international economic experts. It is to be hoped that dissatisfaction over one thing or another will not trigger us to do something satanic. Given all the success that has been achieved in these past years, I have every confidence that Malaysians love peace and love this country and that they cannot easily be influenced by anyone to fulfill their evil aim.

Ladies and gentlemen: In welcoming this new year of 1986, let us renew our determination to further enhance solidarity, understanding, and cooperation and let us join hands to move together as one force in facing the challenges of 1986 and the years to come. God willing, we will succeed. To all Malaysians, I wish you a happy new year.

May the blessing and mercy of God be upon you.

/12232

CSO: 4213/65

MALAYSIA

TELECAST, DIALOGUE ON KAMPUNG MEMALI QUESTIONED

BK310953 Kuala Lumpur BERITA HARIAN in Malay 23 Dec 85 p 10

[Editorial: "What Are the Dialogue On and the Video Recording of Memali For?"]

[Text] The issue of dialogue between the government and the opposition [word indistinct] became a topic for discussion when Datuk Sri Dr Mahathir Mohamed and Katuk Musa Hitam expressed their readiness to answer questions on the Kampung Memali incident last Wednesday [18 December]. Information Minister Datuk Rais Yatim said that the two most senior leaders were willing to hold a dialogue with anyone on the incident that claimed 18 lives because the government has nothing to hide. Yesterday, the Barisan Nasional youths, supporting the leadership, expressed their readiness for a dialogue with any party doubting the government's action in the incident.

Despite their different views on the issue, Pan Malaysian Islamic Party [PAS] leaders generally accepted the offer and hoped that it would not be canceled like the planned debate on infidelity. The PAS youths are not afraid of a dialogue with their Barisan Nasional counterparts. What is more interesting is that the readiness of the national leaders for dialogue on the Memali incident has also drawn attention from other leaders. Dr Tan Chee Koon and Dr Chandra Muzaffar have asked for permission to meet the Memali inhabitants and policemen involved in the incident. However, the national leaders have not yet replied.

The national leaders' readiness for a dialogue was a follow-up to the decision to telecast the video recording of the incident. The decision is designed to explain the facts of the incident so that the people will not be influenced by nonsensical stories. In addition, it may also be meant to project the idea that PAS was responsible for the incident. However, some circles have interpreted the decision as a call for a debate and have started thinking about the topic. This situation is inevitable because the incident has raised the issue of whether or not those killed died as martyrs. This will definitely be raised, even though the first subject to be settled is who was wrong. For the villagers, a dialogue, forum, or debate are all the same as they will involve the two political parties.

In our opinion, a dialogue on and the screening of the video recording of the Memali incident will have no positive effect and will even worsen the atmosphere.

Experience has shown that persons committed to a belief will remain committed and will simply view any evidence as artificial and nonsensical. The commitment of several PAS leaders and followers to their cause is well known. We have now heard charges that Radio Television Malaysia [RTM] is creating a new version of the Memali incident. This shows that they will not believe no matter how honest the government is. On the other hand, they are being given the opportunity to level various new charges.

For people with common sense, the information on and explanations of the incident are good enough to convince them of the facts. The armed police would not have lost four lives had they intended to attack Ibrahim Libya's house. The police only wanted to arrest Ibrahim Libya for further investigation in accordance with legal procedures and did not want him to die. However, the policemen were forced to defend themselves when their lives were in danger. People with common sense can automatically assess the incident and may only question the way the operation was carried out.

Consequently, we do not see any reason for a dialogue on and telecast of the video recording of the incident. Whether or not the recording will be edited is not important because those committed to their belief will believe in the martyrdom of the 14 Kampung Memali inhabitants. The video recording may arouse doubts among people who have been convinced of the government's sincerity. RTM will certainly find it difficult to explain why it is taking so long to telecast the video recording. Some circles may even ask why RTM did not telecast it along with a news report on the Memali incident. There are still many more questions providing grounds for not telecasting the tape.

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CSO: 4213/65

MALAYSIA

MALAYSIAN COURT RELEASES 46 RELIGIOUS CLASH DETAINEES

HK301256 Hong Kong AFP in English 1204 GMT 30 Dec 85

[Text] Kuala Lumpur, 30 December (AFP)--Police today announced the release of 46 of the 153 people detained after religious-inspired clashes in northern Malaysia left 18 people dead last month.

The announcement came as the high court in Alor Star, the Kedah state capital 480 km (300 miles) north of here, sat to hear a writ of habeas corpus filed by 10 relatives seeking the release of 85 of the detainees.

Those released included 22 children and 19 women, 3 of whom were more than 60 years old, BERNAMA NEW AGENCY said.

Deputy public prosecutor Mohtar Abdullah told Justice Mustapha Hussain at the start of the hearing that police needed to detain the remaining 77, allegedly followers of a fanatical Libyan-trained Moslem religious teacher, for another month for questioning.

The 153 people were picked up on 19 November when police stormed a house in Kedah state's remote Memali Village, 432 km (270 miles) north of here, where the teacher, Ibrahim Mahmood, officially described as a Moslem deviationist, was held up with several disciples.

According to official accounts, some 400 of Ibrahim's followers attacked the police with bamboo spears, poison arrows, choppers, fire bombs, molotov cocktails and shotguns during which 4 policemen and 14 civilians died.

Deputy Prime Minister Musa Hitam said yesterday that the government-owned television station would air a 30-minute video recording of the incident on Friday to show "how the wrongful use of religion led to the incident."

Mr Musa said that the fundamentalist Parti Islam Sa-Malaysia or Pas, to which Mr Ibrahim was said to belong, should accept responsibility for the affair, adding "their actions over the years have resulted in that incident."

Twenty-eight of the 85 detainees named in the writ were among those released today. The high court postponed hearing of the writ to 26 January, BERNAMA said.

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CSO: 4200/483

NEW ZEALAND

INTELLIGENCE PAPER ON NUCLEAR ISSUES

HK310121 Wellington THE EVENING POST in English 23 Dec 85 pp 1, 28

[By Defense Reporter Roger Mackey]

[Text] An External Intelligence Bureau [EIG] report, made just before the U.S. port visit request for USS Buchanan, shows the government could not have predicted that it was carrying nuclear arms. The report "Factors Affecting the Deployment of Nuclear Weapons In the South Pacific" was completed on 24 December last year.

It's conclusion states: "While it would not be possible to give an absolute assurance that a particular nuclear-capable surface vessel visiting New Zealand was not nuclear armed, the considerations point to the conclusion that such vessels do not all carry their nuclear weapons at all times and in all circumstances."

The report continues: "We believe that experienced service personnel, taking these general considerations into account, and considering the class of the vessel and its probable role in operational situations, its route to and from New Zealand, and the alert status of U.S. forces in the Asia-Pacific region, could reach a reasoned judgment on the probability that a particular nuclear-capable surface vessel, or group of such vessels, was carrying nuclear weapons."

The report acknowledges, also, that while its conclusions are all based on publicly available knowledge, the U.S. nuclear weapons loading policy is secret.

The report starts out by assessing the chances of the South Pacific being used by either the United States or the USSR to deploy their underwater strategic weapons, the ballistic missile submarines.

Its conclusion: "We assess that the requirement for either superpower to deploy ballistic missile submarines in the region is low."

The submarines of the USSR, the report states, are likely to be deployed either in Soviet home waters in the North Pacific or near the U.S. coast.

U.S. submarines are more widely deployed, but there is no evidence yet that the South Pacific has become a deployment zone or is likely to become one, the report states.

This lack of submarine activity in the region is an illustration of its relative strategic importance. Neither the United States nor the USSR has tried to establish base facilities in the region.

This assessment of the strategic importance of the South Pacific is a key one. From it flow many of the judgments of the rest of the report.

For example, during the discussion on the probable presence or absence of tactical nuclear weapons in the region the report concludes: "A situation in which resort to tactical nuclear weapons was thought necessary is more likely to develop in the strategically important North Pacific than in the South Pacific which is an area of considerably lower strategic priority."

But the report does not rule out their presence. "From time to time nuclear capable vessels do enter the area."

The report picks out seven factors that it thinks would favour the "carriage of tactical nuclear warheads by nuclear capable vessels in the South Pacific."

Carrying such weapons would give the vessel a complete range of responses to crises. This would give U.S. commanders a wider range of options.

As the U.S. Navy has gone down in size and the combat fleet decreased, the pressure to carry all available options has increased.

The U.S. Pacific Command has such a huge area to look after that "vessels in the Pacific fleet may be expected to have on board a level of weaponry which would permit a rapid deployment when required to areas of crisis."

As a result the route a ship took to and from New Zealand would be of some importance in making a judgment about whether it was carrying nuclear weapons, the report concludes.

Theatres

"There would clearly be less requirement for a ship making a special visit to New Zealand from, say, Hawaii, and then returning there, to carry nuclear weapons. "In the past, however, the vessels calling at New Zealand have usually been proceeding to or returning from other theatres."

Also, the less accessible the vessel's normal base the more likely it would carry nuclear weapons.

To give nuclear forces a chance of survival in case of an unexpected attack the weapons might be stored on board ships rather than at short-based storage depots.

Improvements in weapons control and weapons safety in the recent past also might permit a greater dispersal of weapons.

The last of the seven factors favouring the carriage of nuclear weapons by U.S. ships visiting New Zealand is that, unlike in Europe, the basic U.S. defensive response is sea-based tactical nuclear weapons on naval vessels.

Finally, the report identifies five factors which might favour nuclear weapons not being deployed on ships visiting New Zealand.

The first, mentioned earlier, is that New Zealand is part of a region that currently is a low strategic priority.

Secondly, whereas in Europe one reason for nuclear deployment is the vast superiority of numbers and amount of equipment available to the Warsaw Pact compared with NATO, this is not the case in the South Pacific.

In NATO, most weapons are stored, other than those carried by Quick Reaction Alert Forces. It is unlikely, the report states, that a vessel with a Quick Reaction role would be sent to an area like New Zealand, distant from a possible crisis.

Rigorous security procedures for nuclear weapons mean that most are stored separately from their delivery systems.

"By analogy, it is not unreasonable to suppose that in times of low tension not all nuclear capable combatant vessels in the South Pacific could carry the warheads for their nuclear delivery systems."

Scenarios

Finally, the fifth factor the report suggests shows that it is unlikely weapons are brought to New Zealand by visiting U.S. ships as "New Zealand naval officers who have been involved in exercises in collaboration with the U.S. navy point out that the scenarios of allied exercises do not include a 'nuclear option' for the U.S. ships."

In conclusion, the report notes that in an earlier report from the bureau, which is part of the prime minister's department, "We noted that... there was a high probability that vessels such as aircraft carriers and many submarines would routinely carry nuclear weapons."

"There are thus grounds for believing that nuclear weapons are not necessarily carried on all nuclear capable surface vessels as a matter of routine, particularly when, as in the South Pacific, there might be little operational justification for doing so."

It's not known just how much information the government had at the time of the USS Buchanan decision. Apart from the EIB report the government would have received a report from the Ministry of Defence which evaluated the Buchanan on the criteria listed in the EIB report.

Although some experts suggest that the Defence Department would have other techniques available others have cast doubt on these.

It is possible, then, that the EIB report provided the vast bulk of the ways in which the government could judge whether or not the Buchanan was carrying nuclear weapons.

NEW ZEALAND

'NO OFFICIAL WORD' ON PORT VISITS BY UK SHIPS

HK300419 Wellington THE EVENING POST in English 20 Dec 85 p 38

[Text] New Zealand has received no official word on whether British warships to be deployed in the Pacific next year will request port visits, a spokesman for Prime Minister David Lange said today.

But the government "assumes" the ships will not come, the spokesman said.

Beyond that, Mr Lange had no comment on a British Press Association report yesterday that the ships would not visit, because of New Zealand's anti-nuclear policies.

The aircraft carrier *Illustrious*, which has Sea King helicopters capable of being fitted with nuclear-tipped depth charges, will lead the destroyer *Manchester*, the frigates *Beaver* and *Amazon* and the supply ships *Fort Grange*, *Elmeda* and *Bayleaf* on an 8-month deployment.

The British Government would not say what countries they planned to visit, but Whitehall officials told NZPA's [New Zealand Press Association] London staff correspondent Peter O'hara that the Royal Navy had initially planned to call at New Zealand during the deployment.

However, no approach had been made to the New Zealand Government to arrange port visits, and British Government officials said detailed planning was "still in progress."

Officially described as a "task group," the naval force will sail in April and spend 8 months in the North Pacific, Far East, Australian and Indian Ocean areas.

The NZ Democratic Party's defence spokesman, Dick Ryan, said today it was "a ridiculous enigma" that "our friends and relations in the Royal Navy" could not visit.

"If the government had produced a genuine nuclear-free zone and a corresponding independent defence policy, they would have been able to transit through our economic zone, down monitored channels to specified berths, for genuine courtesy visits, which is all they come for anyway.

"The same courtesy could, of course, have applied to the U.S. Navy or the Russians, providing the much needed diplomacy that helps much needed trading arrangements," Mr Ryan said.

Opposition foreign affairs spokesman Warren Cooper said the British avoidance of visits to New Zealand ports "typifies the breakdown" in our relations with Canberra, Washington and London.

"There has probably been no time in history when British ships in the South Pacific studiously avoided this part of the commonwealth. We will reap the poor crop which results from sowing bad seed."

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CSO: 4200/488

NEW ZEALAND

LANGE REFUTES RETIRED DEFENSE CHIEF'S CRITICISM

HK300415 Wellington THE EVENING POST in English 20 Dec 85 p 28

[By Political Reporter Brian Woodley]

[Text] The new round of defence criticism by retired senior military officers was "politically timed and misleading," said Prime Minister David Lange today.

He was responding to a report in yesterday's POST in which three retired chiefs of defence said they were ashamed that New Zealand could become a client state dependent on the goodwill of others for its defence.

The three men, Lieutenant General Sir Leonard Thornton, Air Marshal Sir Richard Bolt, and Vice-Admiral Sir Neil Adnerson, said that if the feelings of trust and mutual benefit at the heart of Anzus vanished, "then for all practical purposes Anzus is a dead horse."

The 3 joined 14 other retired military officers to express concern about defence policies 2 months ago--when Mr Lange retaliated by calling them "geriatric generals."

Mr Lange said yesterday's report was politically timed because it came on the eve of the government's release today of a public discussion paper on defence.

Like their earlier statement, released on the eve of the announcement of the Committee of Inquiry Into Defence, this was "clearly timed to attempt to cause the government maximum political embarrassment."

Mr Lange said that if they had waited for today's discussion paper, the three ex-officers could have avoided making a number of misleading statements.

He said the [word indistinct] committee had not been set up to "review the defence options" as the three stated, but to act inside terms of reference published in October.

These terms included to receive and hear public submissions on a government discussion paper on the future of defence policy; to question those making submissions to commission polling on public attitudes to defence and security; and to prepare a report for the government to consider while the full defence review is prepared next year.

Mr Lange denied the officers' claim that the committee had been "hobbled" by the introduction of legislation banning nuclear weapons.

"Had the former chiefs waited to read the discussion paper they would have seen that the government welcomes discussion of the issue as it continues to seek a solution which both keeps nuclear weapons out of New Zealand and restores a constructive relationship with the United States."

Mr Lange said reference to the "pro-Anzus majority" conveniently overlooked that the clear majority of New Zealanders also strongly opposed nuclear weapons in this country.

He said the claim that New Zealand could become a client state "is an extraordinary statement, unworthy of men of their knowledge and experience."

"As they will learn when they read the discussion document, a key element of government policy is to reverse New Zealand's drift into a client state, and exercise greater self-reliance in defence matters."

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CSO: 4200/488

NEW ZEALAND

DEFENSE PAPER ON SPENDING, SECURITY ISSUES

HK020121 Wellington THE EVENING POST in English 24 Dec 85 p 2

[Article by Defense Reporter Roger Mackey: "Bigger Defense Bill Stressed"]

[Text] One of the most significant elements of the government's discussion paper on defence is the limit it sets for New Zealand's future defence spending.

The government acknowledges that because of its policies more will have to be spent on defence. But, the discussion paper also explicitly states that spending on defence will not rise to the same level of gross domestic product as the Australians devote to defence.

The Australians currently spend around 3 percent of GDP on defence. In the past 10 years, under National Governments, the New Zealand spending level has fallen as low as 1.53 percent of GDP.

Range

Most, it has moved in a range between 1.65 percent of GDP and just over 2 percent.

In the financial year ending in March 1985 New Zealand spent \$756.41 million on defence, or just over 1.8 percent of GDP. For spending to rise to the Australian level of 3 percent of GDP another \$473 million March 1985 dollars would have to be spent.

However, the government's commitment in the discussion paper that "in New Zealand circumstances it is not likely that the Australian total of 3 percent of GDP will be acceptable or necessary," puts paid to thoughts in the services that the increase will put us on the same level of spending our our closest ally.

Still, when it comes, the services might be surprised to discover more money than they have become accustomed to in the last 10 years.

Some of the increase will no doubt have to be spent on simply providing to the services the depth of logistic back-up that Anzus provided. Some of this expense has already become obvious with the government earlier this year building up ammunition stocks that were not needed when Anzus was working.

Surprised

The government may be surprised when the commitments it has made in the South Pacific, in this discussion paper and elsewhere, are analysed by the services.

The hardware and manpower needed to achieve them may be considerably more than New Zealand maintains at present.

Already the Cook Islands Prime Minister, Sir Tom Davis, has said that with Anzus inoperative the Cooks cannot be defended by either New Zealand or Australia alone or in combination. What he is implying, is that one of the smallest nations in the world can only be effectively defended by the largest military power in the world, the United States.

Clearly, maintaining the Cooks in the sense of security to which their prime minister has become accustomed, may be more expensive than the government expected.

The discussion paper rules out of bounds any submissions dealing with the exact mix of military hardware appropriate to the New Zealand Armed Forces, however.

For the most part the discussion paper is an unexceptional document which simply poses the questions that have already arisen in the national defence debate with, perhaps, a bias towards those that have been posed in opposition to government policies of the last 15 to 20 years.

This means that, to a large extent, the shadow of Vietnam hangs heavy over the discussion.

It was New Zealand's first involvement in hostilities since the Second World War that was not resolved, at least partly, to our satisfaction. No mention in any detail is made of our successful earlier involvements in Malaya and Korea.

As a result the discussion regarding our possible role in South-East Asia has the look of something of an anomaly in our over-all defence considerations.

But, this is by no means a novelty. Successive defence reviews since our experience in Vietnam have modified the policy of Forward Defence formulated in the 1950's which justified our original military involvement in South-East Asia.

Significant

Perhaps the most significant omission is any mention of the role of the United States in the South Pacific, although the discussion paper is explicit in stating that the South Pacific is and will continue to be the major focus of the New Zealand defence effort.

Cooperation with Australia in the region is explicitly mentioned, however.

In 1944 when New Zealand concluded a pact with Australia--known as the Anzac or Canberra Pact--The United States saw the pact partly as an attempt, by Australia in particular, to declare the South-West Pacific an exclusively Anzac sphere of influence. They objected strongly.

To some extent the discussion paper is a restatement of the Canberra Pact--with the significant omission of any prolonged mention of Papua New Guinea--U.S. objections to any exclusivity implied are likely to be just as strong.

Also, the Canberra Pact was drawn up when most of the South Pacific Islands were colonies.

These days they are, for the most part, sovereign nations.

These two factors, the U.S. role in the South Pacific and the nationhood of the South Pacific Islands, have already shown they will not be inconsequential and neither the United States nor the South Pacific [word indistinct] will be static bystanders to the consequences of the collapse of Anzus as a working military alliance.

Objections

Apart from Sir Tom Davis' objections, two South Pacific nations have either hosted U.S. ship visits recently or announced their intention of doing so.

Although very friendly with New Zealand these states obviously do not see the South Pacific as an exclusively Anzac sphere of influence. The United States has also signalled that the decline of Anzus means a more significant role for the United States in the region.

Although the discussion paper does not consider the point it is possible that New Zealand's re-emphasis of its South Pacific role and nuclear ships port ban could see a rise in the activity of at least one of the superpowers in the region, a consequence the de facto port ban was explicitly trying to avoid.

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CSO: 4200/488

PHILIPPINES

BAYAN 'NON-PARTICIPATION' IN ELECTIONS 'NOT YET FINALIZED'

HK060705 Manila METRO MANILA TIMES in English 3 Jan 85 p 3

[By Ab Batuhan]

[Text] Cebu City--Bagong Alyansang Makabayan (Bayan) [New Nationalist Alliance]--Visayas Secretary General Professor Patricio Dolores has said that although Bayan favored non-participation in the coming snap presidential polls, it would support opposition candidates on the condition that they would incorporate into their platform of government certain provisions.

Dolores reiterated that the provisions drawn up by Bayan at its last general meeting were necessary to realize a meaningful program of government.

The group officially announced on 16 December it would not participate in the elections after its demands to the president were not granted.

The Bayan National Executive Committee said the demands were prerequisites to a fair, free, and honest elections.

Dolores, however, revealed that the group had not yet finalized its plan on the form of non-participation it would carry out pending the outcome of talks between its national officers and leaders of the traditional opposition.

Among the provisions Bayan presented were the ultimate removal of the U.S. bases in 1991; ban of entry, transit, and storage of nuclear armaments in the country, and release of all political prisoners and general amnesty to all political offenders.

Dolores said Bayan representatives would present its option to UNIDO and Laban ng Bayan [People's Struggle] stalwarts.

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CSO: 4200/513

PHILIPPINES

COLUMNIST SLAMS ELECTION, URGES NO DISRUPTION

Quezon City ANG PAHAYAGANG MALAYA in English 16 Dec 85 p 4

["9 PTS 12 EMS" column by Marichu C. Lambino: "A Matter of Principle"]

[Text] We respect the decision of some who choose to join the bandwagon that is the election; otherwise known as Marcos' showcase of democracy this side of the Pacific. While some of them are fueled merely by personal ambition, we concede that a number of them sincerely believe that this is a chance to bring back premartial law politics.

We recognize that old habits die hard. The remoulding of consciousness does not take place overnight, nor even perhaps in 13 years of martial rule. Sometimes it takes a lifetime. The struggle between the old and the new, between light and darkness, between correct ideas and wrong ones, is a never-ending process. Whenever there is massive, systematic deception and coercion, it has always been an uphill battle to make the correct ideas surface, to make light pierce darkness. The point is to persevere.

But we are gravely concerned when politicians, and some journalists and other groups, turn this affair into a circus of personalities, instead of making it a venue to discuss the urgent issues of the day and enlighten the people--the rampant violation of human rights and US interventionism--and to offer a clear-cut program of government to the people.

In the same breath, we commend the decision of the workers who do not see the snap poll as the answer to labor exploitation, as expressed by the KMU, or the decision of the members of the League of Filipino Students who see the snap poll as a mere ploy to veer the people away from their problems. For those who have been in the receiving end of the most severe political repression, this is understandable.

But one thing binds them all together: the knowledge and conviction that the coming polls would be marked by fraud and terrorism, of a massiveness never before witnessed in Philippine history.

We know Marcos and the real intentions of the US Government. While we do not see participation in the election as the answer to repression--in fact, it will exact more blood, create suffering in the resulting economic crisis, and deceive the people, one thing is certain.

We are willing and ready to defend the right of the people to be heard; to lend a hand to see to it that those among our countrymen who would choose to protest through the ballots are not gunned down or kidnapped by Marcos' henchmen; while we may not agree that the snap election is the answer, the voice of those who condemn the regime through the ballot must not be snuffed out. Our opponent is the Marcos dictatorship as backed up by the US Government. This should be clear.

With the widespread disenchantment of the people, the extreme isolation of the regime, the immense popularity of Cory Aquino as a symbol, it is unthinkable for the Opposition to lose in a genuine election; but that is in a genuine election, the coming snap poll is an entirely different matter. This election would be characterized by blood, bullets, bribery, beyond our capacity to overturn.

With full knowledge of the fraudulence of the election, its purpose of intoxicating and deceiving the people, a correct appraisal of our strength, and without any clear-cut nationalist program of government being discussed as an alternative, we cannot in all conscience call on the people to take part in a circus of personalities, and still call ourselves principled. Some say that should the Opposition lose, this should all the more disillusion and radicalize the people. So as a tactic, why not call on the people to participate so that they may be disillusioned later on?

But this is not the role that a mass movement which calls itself cause-oriented should play. Perhaps we can never play the role of Simoun in El Filibusterismo who, wanting the oppressed to realize that they are oppressed and to rise up, indirectly participated in oppressing them by pauperizing and deceiving them himself.

We have dedicated our whole lives to working with, learning from, and educating the people. WE can never take part in their deception. This is a matter of principle.

We shall continue devoting time and effort to working with, organizing, and educating the people. And we invite the politicians to participate in this effort of enlightening the people by discussing the urgent issues of the day.

We shall risk life and limb to see to it that those among our countrymen who opt to protest through the ballot are not slaughtered. Should anyone be hurt in this election, the whole world would know about it.

We shall keep vigil during the night.

And when all this is over and the people can think clearly, we would have remained firm in our foothold.

We have remained principled.

/9365

CSO: 4200/522

PHILIPPINES

KAAKBAY SIGNALS SUPPORT FOR CORAZON AQUINO

Quezon City ANG PAHAYAGANG MALAYA in English 13 Dec 85 p 6

[Letter to the editor by the Kilusan Para sa Kapangyarihan at Karapatan ng Bayan (KAAKBAY--Movement for Philippine Sovereignty and Democracy) Executive Board: "KAAKBAY for Cory"]

[Text]

Because Mr. Marcos likes to play games with his American sponsors and with the Filipino people, we will never know whether the snap presidential election will ever be held until it is actually held. It is part of the tragedy of our nation that our people must live with a president who cynically uses democratic processes like elections and structures like the legislature and the judicial system merely as props in a personal shadow-play.

But to every challenge we must rise even when the opponent appears as if he is just making fools out of all of us. Every chance that we get to unseat the dictator, we must seize, even when the odds are heavily in his favor. Our nation was formed in the womb of a struggle, and therefore surrender should never be

part of our national vocabulary. But let us be clear about the nature of this struggle.

Our people face two opponents at the same time: US imperialism and the Marcos Dictatorship. The coming presidential election is just one more arena in this continuing struggle to establish a free and democratic society in our land. It is neither the sum total nor the culmination of this long struggle.

It is in this light that KAAKBAY throws its support behind the presidential candidacy of Mrs. Cory Aquino, a Filipino who, at this time, best personifies our collective contempt for and rejection of a dictator who has destroyed our country, reduced our people to degrading poverty, and mortgaged the future of our children.

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CSO: 4200/522

PHILIPPINES

COLUMNIST ON U.S. STATEHOOD, MINDANAO SEPARATIST MOVEMENTS

Davao City THE MINDANAO DAILY MIRROR in English 29 Nov 85 pp 2, 3

[Article by Casin Arkoncel in the "By-Line" column: "Federated Republic of Mindanao, Anyone?"]

[Text]

Once again the advocates of the statehood movement have renewed activity possibly for

the coming elections. As promised, if the Philippines becomes a part of the United States all the country's problems will be solved overnight. The USA will absorb the \$26-billion foreign debt we owe and gone will be the long queues at the US Embassy for visas and the dollar changers.

What is not known whether the US will want the Philippines at all. At present, there are about 2 million Pinoy in the states, many of whom are TNTs or illegal aliens. The 56 million population would entitle the Philippines a bigger representation in the US Congress to the disadvantage of many states. Economically the US cannot gain anything from annexing the Philippines, so don't let those colonial mentality advocates beguile anyone from thinking Uncle Sam wants us or any part of the country.

On the other hand, the secession movement in Mindanao conceived by Moslem leaders appears to be attracting more island constituents. Initially, Christians who dominate the island were against the

move spearheaded by the MNLF. The Tripoli Agreement in the early seventies still could make the movement prosper.

A young Moslem leader we talked to admitted that there could never be a Moslem president because Christians outnumber them 4 to 1. Besides, he added, they do not wish to dominate the Christians but they would want all Mindanaos to support the creation of the federated states of the island whereby each unit of territory will have its own government under an umbrella federation just like Malaysia and other western countries.

The natural resources of Mindanao is more than enough to make a new country progress. What's more, the island population will no longer have to pay for the Philippines' foreign debts. The proponents intend to pass a resolution signed by Mindanao residents addressed to the United Nations which will hold a referendum and allow the self-deed island, including Sulu and termination of the people of

possibly Palawan.

The creation of a new country will solve the insurgency problem instantly at least in Mindanao. But this will be up every island resident. Perhaps, those who do not opt for independence from the Philippines can leave Mindanao. The problem of course will be how to prevent Visayans and Luzonians from making a rush for Mindanao shores.

Of course the national leadership would prevent a third of the country to secede, although it is the inherent right of a people in a definite portion of territory to determine its future and the UN respected such right by the Palestinians although they do not occupy any territory at all.

The growing economic problem of the Philippines has yet to show signs of recovery, and if at all there is some sem-

blance of getting back the economy on its feet it is hardly felt elsewhere and Mindanao bears the crunch of the economic debacle of the country even if it is rich in natural resources that only a few exploit to the great disadvantage of the people of Mindanao.

When Mindanao becomes an independent state, its population will not lose their country (Philippines), but will have a new one of their own. Visayas and Luzon will just be a stone's throw away and of course the illicit trade of smuggling will continue to flourish depending on which side of the border has the goodies.

We will still need visas to go to the US unlike the people of the 52nd state of the union if ever they make it. Mindanao will be there sooner in the community of independent nations of the world.

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CSO: 4200/472

PHILIPPINES

PORT WORKERS FORM GROUP TO SUPPORT MARCOS

HK020750 Manila TIMES JOURNAL in English 1 Jan 86 p 3

[Text] Dock, fish port and riverside workers, stevedores, {word indistinct} operators and labor leaders at the premier ports in the country including residents in these areas have formed an organization known as New Mandate for Marcos Movement, Inc. (NMFMMI).

Spokesman Joaquin G. Chung, Jr, an opponent of Speaker Nicanor Ynigutolwn the last Batasan election and now a Marcos convert, said that the members wish to repay the president for the fruits they benefitted from [on] these development projects.

The workers assailed the opposition for giving only false hopes, while the present administration constructed high rise buildings and houses for the urban poor, particularly the waterfront workers.

They said that only President Marcos can be relief [on] to promote their interest as he has been doing for the past years.

Meanwhile, workers at the Fish Port complex in Navotas are urging the president to create a committee to investigate the missing funds which the Trade Union Congress of the Philippines [TUCP] failed to account [for]. If the TUCP secretary general cannot account for the funds donated by foreign entities, then he should resign, the workers said.

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CSO: 4200/513

PHILIPPINES

TEACHERS GRANTED SERVICE CREDIT FOR ELECTIONS WORK

HK300950 Manila BULLETIN TODAY in English 29 Dec 85 pp 1, 11

[By Rod L. Villa, Jr.]

[Excerpts] Education Minister Jaime C. Laya approved yesterday the grant of service credit equivalent to a week's pay to some 200,000 teachers called to perform election duties.

Meanwhile, monitoring teams reported an almost 100 percent attendance by teachers on the first voters' registration day yesterday.

The teachers were expected to return in full force to complete the listing of up to two million new voters on top of about 24 million old voters, in 90,000 precincts housed in over 30,000 schools nationwide. Today is the last day of registration.

"The almost perfect attendance achieved by the teachers on their first day of election work attests once again to their commitment to public service and to their patriotism," Laya said.

Education Deputy Minister Hermenegildo C. Dumlao said the service credits would translate into amounts ranging from at least P600 for new teachers up to nearly P1,500 for superintendents and other education executives.

The service credit benefits are on top of the doubling of the teachers' allowance to P100 on election day and P50 for each day of work related to the elections in accordance with new legislation.

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CSO: 4200/513

PHILIPPINES

NPA AMBUSHES CIVIC ACTION TEAM IN BATAAN

Quezon City ANG PAHAYAGANG MALAYA in English 16 Dec 85 pp 1, 6

[Article by Elmer Cato]

[Text] San Fernando, Pampanga--An Army major and six of his 7-man civic action team died in an ambush the other day in Samal town, Bataan by a three-man band of New People's Army guerrillas, authorities here said.

The military headquarters at Camp Olivas here identified the fatalities who all died on the spot as Maj. Emmanuel Jimenez, commander of the 3rd Civil Relations Service in Central Luzon; Air Force Sgt. Virgilio Auro, Army Sgt. Romeo Ramos, PC Sgt. Reynaldo Lambina, Army Cpl. Renato Beltran, and Bataan provincial health employee Cory Viilaneuva.

Only Rose Muhammad survived the hail of bullets.

Military authorities immediately sent a composite military unit from the Task Force Mt. Samat under Col. Lorenzo Mateo to track down the rebel band which pulled off the ambush in baranggay Calaguiman.

At the same time, military authorities are also looking for a certain Ed Quintana, reported to be a KB chairman believed to have led the civic action team to baranggay Calaguiman to shed light on the ambush.

Initial reports received show that the fatalities were supposed to conduct a civic action project. The team however, found the barrio deserted following their arrival at around 12 noon except for Quintana's house where an unidentified old man prepared lunch.

While they were boarding their service vehicle after lunch they were fired upon by three men at around 1:20 p.m.

Responding troopers recovered 18 spent ArmaLite and carbine shells in the ambush area.

Meanwhile, in Pampanga, four members of the paramilitary Civilian Home Defense Forces based in baranggay Divisoria, Mexico town, were divested of their firearms by some 30 armed men believed to be NPA rebels at dawn Saturday the same sources said. Lost were three garand rifles and one carbine. Military authorities, however, would not give any further details.

PHILIPPINES

COTABATO MNLF LEADER'S SURRENDER, APPOINTMENT DEFENDED

Cotabato City THE MINDANAO CROSS in English 23 Nov 85 pp 1, 12

[Text]

Commander Miranda, now Pampook Assemblyman Nur Mabang, rejoined the government not in "surrender" or "defeat" but in response to the "pleadings of . . . the very people they have sworn to defend."

This was stated by Akmad Sagan of the religious sector in the city and Akas Dilawamen of the Bureau of Muslim Affairs in Maguindanao as a reaction to the criticism by Kussin Abdula last week.

Abdula had called Miranda's coming out as a "surrender" and a "defeat" doubting his motives then asked him to resign from his post in the Batasang Pampook.

Those who pleaded for

the coming out of Miranda and his group, the two said, were the "suffering victims of the last war", "business, civic and religious organizations."

And according to the plea of the same people, the two said, Miranda has "to continue the struggle . . . through peaceful means."

More lives and properties could have been sacrificed, they said, if Miranda and the other commanders did not heed "the voice of the people."

As to the implication that Miranda did not earn the leadership he is now holding in the Pampook, the two said that Miranda had wanted to run for election but President Marcos appointed him instead.

As to the call for Miranda's resignation, the two said that in spite of his "long wanting to resign" his sympathizers prevailed upon him to stay in the Pampook.

Sagan and Dilawamen deplored the fact that no matter how hard they had tried they could not locate Abdula. They suspect that he was using an assumed name.

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CSO: 4200/472

PHILIPPINES

SOUTH COTABATO NPA RENEWS OFFENSIVE

Quezon City ANG PAHAYAGANG MALAYA in English 11 Dec 85 p 9

[Article by Rene Cruz]

[Text] Gen. Santos City (MMNS)--Barely a month after suffering heavy losses in the hands of government militiamen from a nearby municipality, the NPA guerrillas based in the so-called Front 7 struck anew, this time at the unsuspecting baranggay Banate Malungon here.

An estimated 40-to-50-man band occupied the baranggay for almost an hour last Dec. 1, blocking entry and exit at four points and holding at bay all vehicles.

Merchants and residents in and around the baranggay gathered for market day were awed at the incident.

Witnesses said that the NPAs were after two men of "widely notorious reputation" in the area. Both were reportedly executed. According to baranggay captain Rafael Suzon, the NPAs shouted, "Patay na ang ulo sa tulisan (The head of bandits is dead)."

Government troopers from the 46th Infantry Battalion detachment nearby arrived an hour after the NPAs had withdrawn. They chased the withdrawing rebels but were not able to catch up. Both detachments are less than 30 minutes ride away from the baranggay.

Baranggay Banate is situated alongside the national highway and is about 45 kms northeast of here.

The fatalities had been identified as Nardo Datuin, 37, suspected as the leader of bandits around the area and a businessman; and Antonio Jonzon, 22, single, said to be a follower of the former.

Mimeographed leaflets enumerating the "sins" of both were later circulated by the NPA band.

Insurgency observers in the city theorized that the NPA is trying to gain back the military and propaganda initiative the underground movement had reportedly lost after suffering losses in nearby Alabel town.

Last Nov. 9, the NPAs were set to attack a government militia stronghold in an upland village in the said municipality but were instead ambushed by the alerted militiamen. The rebels suffered six fatalities and lost heavy fire-arms including a machinegun they had earlier taken from an attack at another military detachment in Malungon.

The NPA guerrillas are believed led by renegade Army Sgt Briccio Pido.

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CSO: 4200/522

PHILIPPINES

NPA FREES CAPTURED PC CAPTAIN

Quezon City ANG PAHAYAGANG MALAYA in English 13 Dec 85 pp 1, 6

[Text] A Constabulary captain captured and held for 50 days by the New People's Army was freed unharmed Tuesday night at baranggay Buang, Bulusan, Sorsogon, belated reports reaching Malaya said yesterday.

A report of the local office of the National Media Production Center quoted military sources as saying the PC officer is Capt Juan Guysayko, former commanding officer of the 255th PC Company in Tabaco, Albay.

NMPC quoted military sources as saying further that Guysayko immediately reported to Col. Rogelio Regalado, Sorsogon provincial commander, after his release. He later proceeded to Camp Bagong Ibalon in Legaspi City to render a report before the regional commander.

Guysayko's release coincided with the celebration of International Human Rights Day. He, however, could not be interviewed yet, as he was still confined at a military hospital.

Two weeks before his release, the NPA issued a press statement demanding certain conditions from the military like the replacement of "abusive" commanding officers and the release of all political prisoners in exchange for the freedom of Guysayko.

Last Dec. 5 Guysayko and his captor, "Ka Ojie," NPA spokesman and rebel chieftain, were interviewed in their mountain hideout by two intrepid radio-men, Nelson Arao of DWZL and John Villaneuva, Jr. of DWRL. The taped interview was aired the following day in their respective stations.

Guysayko recounted in the same interview that last Oct. 21 unidentified armed men abducted him at his residence in baranggay Gabao, Irosin Sorsogon. I did not resist the armed men because I was alone and sick with asthma at the time. He said "they took my firearms, blindfolded me, and forced me to go with them."

Asked whether he was tortured by his captors, Guysayko replied that was not even pinched, but "I was emotionally destroyed." He said that his captors had promised to release him because he was not involved in alleged salvaging of innocent civilians and other military abuses. The NPA even treated his ailment but it became worse because of fears of being executed any time, he said.

PHILIPPINES

EDITORIAL SAYS DAVAO STRIKE HURT POOR MOST

Davao City MINDANAO TIMES in English 30 Nov-7 Dec 85 p 2

[Editorial: "The Transport Strike"]

[Text]

The transport strike last Monday, the fifth such a strike to hit Davao City since October 8-9, 1984, again, disrupted governmental functions and almost paralyzed private business.

Drivers of vehicles for hire who were not in sympathy with the coercive action of the strikers refrained from reporting for work.

Although passenger buses and government vehicles were fielded, classes in public and private schools were suspended for the safety of children and teachers.

At City Hall, however, the flag-raising ceremony proceeded as usual followed by the regular Monday conference of Mayor Elias B. Lopez and the chiefs of offices.

At Rizal Park the Davao Integrated Muslim Association held its program of commemorating the birthday anniversary of the founder of Islam.

"What did the strikers accomplish?"

For the good of the people, nothing. Instead, the strike denied to the poor their incomes and daily bread.

If the strikers merely wanted to express their anger against the Administration, they succeeded at the expense of the poor wage-earners, the fish and vegetable vendors, and the self-employed.

If the strikers thought that they won the support and sympathy of the general public, they were mistaken. You do not win support and sympathy from people forced to lose their earnings and go hungry because of fear and intimidation.

PHILIPPINES

PRIVATE SECTOR WARNED AGAINST IMPORTING ANTISTRIKE 'GOONS'

Davao City PEOPLE'S DAILY FORUM in English 28 Nov 85 pp 1, 8

[Article: "Imported Goons To Be Used Against Welga Leaders, P30-M Losses Reported"]

[Text] A ranking official of the city government warned a group of traders and businessmen not to push through their plans of taking drastic action against transport and welga leaders, this was learned recently.

A group of businessmen and traders, sources to the Forum disclosed, met at a plush hotel last Tuesday and agreed to put up a common fund for the hiring of goons from either Manila or Cebu City to go after the leaders of the transport strike and welga in Davao City which caused heavy losses to the business community.

Among those leaders, it was learned, is a lawyer and a pedicab driver used as fronts for welga. Their names were not immediately known.

The same source said that the city official got wind of the hotel conference of businessmen and called up one of them cautioning them "not to take the law into their hands" as the local government and other national government agencies can still cope with strikes and welgas staged by several groups in the city.

An estimated P30 million daily is lost every time a transport strike or a welga ng bayan is staged in the city which is the reason why the businessmen grouped together to protect their interest.

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CSO: 4200/472

PHILIPPINES

NPA-AFP ENCOUNTERS SEEN ESCALATING, SPREADING

Davao City PEOPLE'S DAILY FORUM in English 28 Nov 85 p 6

[Text] Cagayan de Oro City--Large-scale firefights broke out last week between government forces and rebels east and west of Misamis Oriental in what was seen as another sign of escalating political strife here and elsewhere in the country.

On Thursday afternoon (Nov 14), two civilian home defense volunteers were captured when about 50 heavily armed New People's Army guerrillas overran and ransacked their post in the remote barrios of Mapna, Balingoan. Military reports said the rebels, backed by machineguns and grenade launchers also added to their arsenal two U.S. carbines and two shotguns after a 30-minute gunbattle.

Three other militiamen reportedly escaped the onslaught in the attack which drew an immediate show of forces from the military in the coastal areas near Balingoan (about 81 kms from this city). By late afternoon, helicopters-borne troops were reinforcing units in the mountain areas.

Balingoan, an important seaport which connects Misamis Oriental and Camiguin island province, had otherwise been a peaceful town untouched by the complexities of insurgency and counter-insurgency war. Its mayor, Philip Ongcachov, is known to have delicately blocked the stationing of troops in Balingoan, unlike its neighboring towns.

Meanwhile, on Wednesday (Nov 13), an encounter broke out in Opol town, 15 kms. west of this city, between the army's 53rd Infantry Battalion and a 14-man rebel group sighted in Brgy. Bagoboc. The military said they killed one rebel and wounded three of his companions, while a private was reported hurt on their side.

Brig. Gen. Maldrino Mamos, RUC-10 commander, said a government ID belonging to the late Mayor Cesar Magno of Initao (about 45 kms. west of this city) was recovered from a slain rebel identified as Vicente Minoza. This prompted the RUC command to conclude that Minoza was one of the killers of Mayor Magno, who was shot after going out to Church last May 19.

The presence of the rebel group in the barangay was said to have been tipped off by informers in nearby Brgy San Simon, this city.

PHILIPPINES

DAVAO NURSE, 6 OTHERS ARRESTED IN NPA LAIRS

Davao City PEOPLE'S DAILY FORUM in English 29 Nov 85 pp 1, 8

[Text] A comely private nurse and six others were nabbed in two flushout raids of CPP-NPA-NDF hideouts in Matina Aplaya and Matina Proper Davao City early morning yesterday.

Captured were Josefina Vaz alias "Jo," 29, married, a private nurse who had worked with the Davao Doctors Hospital; Rebecca Cirunay alias "Vicky," 18, single, jobless; Lovilina Salazar alias "Deday," 19, jobless, all of Matina Aplaya here;

Willie Ramos alias "Danny," 17, single, jobless, an NPA collector living at the Sto. Nino Village in Matina; Rolando Cirunay alias "Allan," 19, single, jobless, a resident of Norton Subdivision in Matina; Rogelio Lebios alias "Mario," 27, single, a laborer living at Crossing Matina; and Eduardo Lebios alias "Eddie," 24, laborer, also of Crossing Matina here.

Vaz was nabbed at her house in Victoria Village where lawmen recovered a sack full of assorted NPA streamers. She was tagged by Cirunay and Salazar as the one who treated the wounds of a certain members of a sparrow unit codenamed "Ido" who figured in an encounter with lawmen at the height of a transport strike in Toril early this year.

A cal. 22 Magnum revolver bearing serial number S-251412 and a plastic bag containing subversive documents were seized from Cirunay. Similar documents were also confiscated from Salazar and the Lebios brothers.

The raiding teams which swooped down on Matina Aplaya and on Sto. Nino Village in Matina Almost simultaneously were led by Capt. Felix D. Gonzales, M2 chief; 431st PC Company deputy commander 2Lt. Ferdinand Yuzon; and M2's Lt. Jose Cenriles.

The seven suspects are undergoing tactical interrogation at the Camp Leonor headquarters here.

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CSO: 4200/472

PHILIPPINES

SAMAL ISLAND NPA PROPAGANDA TEAM, MASS BASE SURRENDERS

Davao City THE MINDANAO DAILY MIRROR in English 28 Nov 85 pp 1, 7

[Text] The New People's Army has lost its entire propaganda force and mass base in Samal Island, Davao Province to the government's amnesty program.

This was disclosed the other day, November 26, by Nestor Armadilla, alias Bonjing, 23, leader of an NPA semi-legal team who gave up with nine other NPA operatives and 2,000 supporters to RUC XI Chief Brig Gen Jaime C. Echeverria in Kaputian, Samal, Davao Province.

The other returnees were identified as Gloria Bacore, alias Amor, 18; Jacinto Bacore alias Church, Benjamin Carbantres alias Cardo, Virgilio Lopez alias Ric Rosalinda Jumb alias Cecille, 18; Jose Villa-Abrille alias Ricky, 19; Rolando Hermoso alias Randy and Romulo Mangalimutan alias Kokoy. The name of one returnee was not made available.

Returnee Gloria Bacore, a resident of Garcia Heights, Davao City and a sophomore education student at the University of Mindanao before she joined the dissident movement last January said they were compelled to surrender because they were arbitrarily disarmed by the local communist party "for reasons that were not made clear to them."

She said that a certain Commander Jaguar alias Pahak and Dodong of the NPA unit in Toril District, this city, disarmed them of their firearms consisting of one cal. 38 revolver, a garand, a carbine, a homemade shotgun and handgun called "Dos-Dos" last October 19, 1985.

The bespectacled teenager also told reporters that "the disarming placed them in danger of being executed by

the communist party or captured by government security forces.

Finding themselves with nowhere to go, they decided to get in touch with the parish priest of Kaputian, Father Severino Enopena who arranged for their return to the folds of the law.

Last Tuesday's surrender rite was the culmination of weeks of negotiation between the erstwhile dissidents and government authorities.

Father Enopena told the Office of Media Affairs that the rebel kids are requesting for safe conduct, livelihood, amnesty and a chance to mend their lives.

"I hereby pledge to serve the people of Kaputian with the same sincerity and dedication when I was with the

movement. Will you accept us?" asked Nelso Armedilla alias Commander Roy in his testimonial speech to Kaputian residents. He said he wants to be a policeman to help prevent renewed communist incursion in the island.

Observers noted that majority of the residents are enthusiastic and responded positively to the surrender of the former NPA's.

A certain patrolman Vismamos of the Kaputian INP was overheard saying that he will welcome the Armodillo brothers to the local police for discharging that there are vacancies in their station and that the brothers can readily pass all requirements judging from their academic credentials.

Kaputian home defense volunteer Vic Hilario, 38, commented that they hold no rancor with the returnees. He said they had three encounters with the group since last year the last time of which was a ten-minute running gunbattle in a coconut grove in Barangay

Libod last September 3. Libod is just a kilometer from the town of Kaputian.

Hilario said there was no casualty in the said encounter involving seven home defense volunteers and 20 dissidents. He also acknowledged with grudging respect that "the kids were able to persuade more than a thousand Kaputian residents to support their former cause."

No details were available as to the program of rehabilitation lined up for the returnees except Brig. Gen. Echeverria's directive that they be temporarily placed in custody of the Philippine Marines under Col. Rodolfo Biazon for processing.

Also on hand to witness Tuesday's ceremonies were Davao City Mayor Elias Lopez, Governor Gregorio Dujali of Davao Province, Kaputian Mayor Bibiano Rebong, Davao Province Constabulary Commander Col. Geronimo Valderama and Jess Deocampo who represented Natural Resources Minister Rodolfo del Rosario.

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CSO: 4200/472

PHILIPPINES

OPPOSITION ASSEMBLYMEN AGAINST COJUANGCO DETERGENT BID

Quezon City ANG PAHAYAGANG MALAYA in English 13 Dec 85 p 7

[Article by Benjie Guevarra]

[Text]

Another opposition member of parliament has expressed support for the snowballing clamor for a public hearing on the government-imposed takeover next year of the P2.5-billion detergent industry by a company headed by Ambassador Eduardo Cojuangco Jr.

MP Oscar Santos (Unido-Quezon) has endorsed fellow Unido Assemblyman Honorato Aquino's resolution urging the legislative body to investigate the alleged adverse effects of next year's monopoly on a vital ingredient for detergent manufacturing by United Coconut Chemicals Inc. under a joint venture with the Lurgi Co. of Germany.

Santos, in dismissing charges hurled against Aquino by the Coconut Industry Rationalization Movement Inc., said that Aquino's Resolution No. 788 "merely seeks an inquiry into the effect of the proposed shift from petrochemicals to coco-chemicals, particularly on the feared 40 per cent

increase in the price of soap and detergents."

In defending the shift from alkylbenzene to coconut fatty alcohol as the main cleaning ingredient of laundry soap, Crami recently accused Aquino of favoring foreign interests instead of the government's thrust towards self-sufficiency which, it said, is the desire of every "nationalistic" Filipino.

Officials of LMG Chemicals Inc., said which supplies half of the industry's 35,000-ton alkylbenzene requirement, next year's ban as mandated by Presidential Decree Nos. 1863 and 1872 will only jack up detergent prices since coco fatty alcohol costs twice more than alkylbenzene's price of P17,000 per ton.

"We in the coconut belt welcome a review of that policy," Santos said, adding that "decrees should avoid institutionalizing monopolies which tend to kill private enterprises, control the market and give rise to price increases in basic commodities."

/9365
CSO: 4200/522

PHILIPPINES

EDITORIAL LAUDS GOVERNMENT ELECTRIFICATION PROGRAM

Quezon City ANG PAHAYAGANG MALAYA in English 11 Dec 85 p 4

[Editorial: "Achievement"]

[Text] The country's electrification program must have achieved some significant gains in the light of President Marcos' disclosure that of some 1,563 towns and cities comprising the archipelago, 1,370 are already enjoying the benefits of electricity. According to Mr Marcos, the program has contributed greatly in national development through the "enhancement of educational efforts of the youth and (has) advanced the development of knowledge."

The administration has good reason to be proud of its success in this particular area, more so because it has failed so miserably in many other remaining fields of public service for which it has been pilloried all these years by the people with unwonted ardor. "Even democracy cannot thrive in total darkness," Mr Marcos was quoted as he referred to the benefits the rural population, estimated at 27 million, now enjoy from the program. "Electrification of the countryside is not only an achievement, but a victory," Mr Marcos stated. "It means comfort. It is now an important part of life."

After 20 years in the saddle it is not exactly surprising that the government would achieve something. The most notorious bungler can do something right at times, if only to prove that the law of averages still works, even for this unbelievably corrupt and callous regime.

This is not to detract from the government's achievements which, although as desultory as candlelight in the wind, is still good enough to be appreciated. The electrification program, in particular, is a vital undertaking that merited the gravest concern from the rulers. Not only for the students whose eyes will from now on avoid the eyestrain during night-time studies, but also for information since most families in the boondocks and hinterlands of the Republic could usually afford only a radio.

The actual and far-reaching effects of this successful program, however, may come only with the improvement of the economy, when most households could then afford a television set. The population explosion has been a resounding success here and it's the kind of success we can do without. Perhaps TV could yet turn the trick. When it does, the electrification program could rightly claim a great achievement.

JPRS-SEA-86-016
23 January 1986

BRIEFS

NO PRELATE POLL PARTICIPATION--Jaime Cardinal Sin expressed hope that despite a season of "the bleakest Christmas ever" for Filipinos, the people can still "overcome" because they have faith in God. In his homily during the midnight mass at Paco Park in Manila, the cardinal asked the people not to lose hope in the face of the economic crisis, and political and moral turmoil. He said the birth of Jesus was a light that can guide the country through the dark night. He told the faithful that packed the lantern-filled park that Christmas holds new hope for a better future. He reminded the people to remain steadfast in their faith in God. Asked later if he would actively participate in the coming elections, Sin answered: "No, I will not participate." However, he said he would issue guidelines on his "principles" regarding the elections, and not on any particular candidate. [By Deedee M. Siytangco] [Excerpt] [Manila BULLETIN TODAY in English 26 Dec 85 pp 1, 7 HK] /12232

KBL STRENGTH IN CENTRAL VISAYAS--Central Visayas, long reputed to be [word indistinct] opposition bailiwick, has virtually turned into an administration political stronghold. More than 2.2 million voters of the 4 million inhabitants of the four provinces of the region will troop to the more than 6,500 voting centers in the 7 February special election. The bulk of these voters gave President Marcos an 80 percent majority in the 1981 presidential election. The region also voted for the administration-supported candidates in the local elections. [Text] [Quezon City Maharlika Broadcasting System in English 0300 GMT 2 Jan 86 HK] /9274

'SPECIAL POLICEMEN' IN POLLS OPPOSED--The Commission on Elections (Comelec) yesterday warned against the appointment or use of special policemen or other law-enforcement agents and the organization of reaction forces during the campaign period and on election day. Comelec Chairman Victorino Savellano said this ban on the use of special policemen during the campaign period is provided for under the Omnibus Election Code. Avellano said the legislative sanction was designed to ensure the holding of free, honest, orderly and credible elections. Also prohibited during the same period are the use of armored land water or aircraft and the use of bodyguards or security guards. [Excerpt] [By Julio Sison] [Manila METRO MANILA TIMES in English 27 Dec 85 pp 1, 5 HK] /9274

INTEGRATED DEFENSE PLANS--Armed forces authorities are expecting that within the next few months all cities and towns will have activated their integrated defense plans. The defense plans aim to make local governments respond quickly to insurgent attacks while awaiting reinforcements. AFP [Armed Forces of the Philippines] records show that 85 percent of the country's 1,500 cities and towns have activated their defense plans. Under an activated defense plan, the town executive is at the forefront of drawing up a defense program to shield his town from attack. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 3 Jan 85 HK] /9274

SINGAPORE

WORKERS STAGE FIRST STRIKE IN 9 YEARS

HK021258 Hong Kong AFP in English 1236 GMT 2 Jan 86

[Text] Singapore, 2 January (AFP)—Fifty-seven workers at an oil rig construction yard today staged the first strike this city state has seen for 9 years, it was reported.

The men, forming more than three-quarters of the workforce of Hydrill Pte Ltd, walked off their jobs demanding the reinstatement of nine retrenched men, described by the government-controlled trade union NTUC as union officials.

The NTUC, to which the strikers belong, issued a statement in their support and laid the blame squarely on the Hydrill management.

"The NTUC hopes that the minority of employers who display similar tendencies will now learn that industrial peace cannot be taken for granted," said NTUC Deputy Chief Goh Chee Wee.

The strike is Singapore's first since 1977.

The government's broadcasting station, which reported the strike, said the Labour Ministry had offered to meet union and management representatives to "settle the issue amicably."

Company officials were not available for comment.

The NTUC has helped the administration put through several amendments to Singapore's labour laws making industrial action virtually impossible without attracting heavy fines or imprisonment.

Recession-hit Singapore companies have laid off nearly 100,000 workers since the latter part of last year facing no organised union protest.

/12232

CSO: 4200/484

SINGAPORE

BRIEFS

FIVE LEAVING GOVERNMENT POSTS--Several PAP [People's Action Party] MPS who entered politics last year are expected to be promoted as a result of yesterday's announcement that five office holders are leaving their government jobs. The five who are stepping down are: Dr Wong Kwei Cheong, 43, minister of state (trade and industry); Dr Wan Soon Bee, 46, minister of state (Prime Minister's Office); Mr Teo Chong Tee, 43, parliamentary secretary (community development); Mr Wan Hussin Zoohari, 47, parliamentary secretary (communications and information); and Mr Lau Ping Sum, 44, political secretary (health). [Excerpts] [Singapore THE SUNDAY TIMES in English 29 Dec 85 p 1 BK] /12232

CSO: 4200/484

THAILAND

WRITER ON PHILIPPINE SITUATION: MARCOS SHOULD QUIT

Bangkok MATICHON in Thai 16 Nov 85 pp 5, 10

[Article by Khian Thirawit: "Ferdinand Marcos and the Philippines"; this article is the result of scholarly cooperation between MATICHON and the Institute of Asian Studies]

[Excerpts] The Philippines is a member of ASEAN and a good ally of Thailand. Thailand and the Philippines are not engaged in any disputes with each other. There are very few conflicts of interest. Thus, the people and government of Thailand would like the Philippines to be stable and secure and have a strong economy. The people and government of the Philippines probably feel the same way about Thailand.

During the past 10 years, national development in the Philippines has not proceeded calmly. The Philippines has encountered several problems similar to those encountered by Thailand. For example, at the time of the oil crisis, neither Thailand nor the Philippines was capable of producing oil. The value of oil imports was very great and this damaged the economies of these countries. This was different from two of our neighbors, Malaysia and Indonesia. These two countries were fortunate enough to have oil to export, which helped their economies.

Besides this, like Thailand, the Philippines exports sugar and coconuts. But the price of these two items has fallen greatly on world markets. This has further depressed the economies of these two countries.

An interesting point is that the populations of the two countries are about the same (the population of Thailand is 50 million; that of the Philippines is 53 million). And the two countries are divided into about the same number of provinces (72 in Thailand and 73 in the Philippines).

However, today, the Philippines seems to be experiencing greater problems than Thailand. There is concern about the fate of the Philippines.

The Leadership Problem

One difference between the Philippines and Thailand is that there have not been any coup d'etats in the Philippines. During the past 4-5 years, the

Philippines has experienced great political and economic problems. If that had been Thailand, the military would probably have taken this opportunity to seize power. The "democratic soldiers" should go and ask Marcos how he has managed this.

Regardless of whether we like or dislike Marcos, it has to be admitted that he has his good points. He did not come to power by staging a coup. He has survived many political crises. This shows that he is skilled at maintaining power without having to use force. Some say that he is skilled at eliminating his opponents and at selecting the right military leaders for important positions. This may be the reason why he does not have any enemies who are strong enough to seize power from him. And the people accept him as their leader because they realize that there is no one else qualified to be their leader.

If these things are true, then Marcos really is a clever politician. But he is a terrible statesman. Because he just wants to stay in power without giving any thought to the consequences.

Philippine society is filled with tensions that are more disruptive than constructive. Marcos has openly challenged those who do not like him. He is 68 years old. He is in poor health because of a kidney disease. He has tried to refute the rumors that he is in poor health by telling the people that there is nothing wrong with him and that he will live longer than his enemies. He is skilled at making enemies this way.

Politics Is in Turmoil

The forces opposing Marcos grew stronger when economic problems arose in addition to the political problems. On 10 November, a group that is concerned about the future of the children held a demonstration to protest the deterioration of society. They appealed to the government to find a way to prevent child prostitution. There have been news reports that child prostitution has increased alarmingly. Just as in Thailand, this is a social ill.

The political, economic and social factors have helped the New People's Army (communist) to grow rapidly. They now have at least 15,000 men under arms. They frequently engage in clashes with government forces.

Religious leaders have frequently expressed opposition to Marcos. One by one, those who used to support Marcos have tried to distance themselves from him. Thus, the political stability of Marcos is very fragile. However, it must be admitted that the Philippine people are still free to stage anti-government demonstrations openly even if this is somewhat risky. This is very similar to the situation in Thailand.

The Problems Facing Marcos

The United States has great interests in the Philippines. Besides the fact that it has large investments there, it rents military bases there (the Clark air base and the Subic naval base). The agreement on these bases will expire in 1991 and so the matter will have to be reviewed in 1988.

In June 1983, the governments of the Philippines and the United States signed an agreement allowing the United States to rent the military facilities for another 5 years. The United States agreed to pay \$900 million (approximately 23 billion baht). This rental money and the aid that the Marcos government receives from the United States is an important source of foreign capital that has helped prop up the Marcos government. Major creditors of the Philippines are the World Bank and the IMF, institutions with which the United States has great influence. Thus, no matter how firm a position Marcos takes, he will not be able to withstand the pressure applied by his patrons and major creditors.

During the past 3-4 years, many Americans have said that the United States will have to do something about Marcos if the Philippines is to be prevented from becoming a communist country. There are even many American scholars who support this view.

At present, the Marcos government is under great pressure from both inside and outside the country. Both friends of the Philippines and enemies of Marcos are calling for the same thing; namely, political and economic reform and reform of the administrative system. They also want the government to grant more human rights to people. The enemies of Marcos are demanding nothing less than a change of presidents.

What Can Marcos Do?

Even though he is under great pressure from all sides, Marcos is still unwilling to give up his position. He is spinning webs again (perhaps for the last time). He announced that a presidential election would be held 19 months ahead of schedule.

But this time it seems as if Marcos has about reached the end of the line. He has been in power too long. He has created so many problems and enemies that it will be very difficult for him to solve the problems.

The best thing that he could do for the Philippines would be to resign and go live in the United States. Even if he wins the election, this will not weaken the opposition. And if he tries to suppress the opposition, there is a great chance of civil war breaking out in the Philippines. The chances of his losing are small. And even if he lost, the new leaders would not be able to solve the economic problems. If the new leaders tried to expel the American military forces, the United States would probably intervene. What would happen to the Philippines? Remember what happened to South Vietnam, Cambodia, Laos and Lebanon.

11943

CSO: 4207/100

THAILAND

ENVOY TO JAPAN ASSESSES TRADE RELATIONS, WHITE BOOK IMPACT

Bangkok MATICHON in Thai 18 Nov 85 p 3

[Interview with Wichian Wattanakun, the Thai ambassador to Japan; date and place not specified]

[Excerpts] [Question] Could you tell us about the Japanese market and what the future trend seems to be?

[Answer] The Japanese market is not completely open to foreign goods. There are tariff barriers and a number of other obstacles that block imports from abroad. Japan is aware of how we feel. But this is a fundamental characteristic of Japan. Japan has developed and become one of the world's leading industrial nations. Japanese goods are sold throughout the world, and they are very popular in other countries.

Thailand's trade deficit with Japan is huge, accounting for almost half of our total trade deficit. But as compared with that of other countries, our trade deficit is not too large. Our trade deficit with Japan is approximately \$1.5 billion. But last year, the U.S. trade deficit with Japan was \$37 billion. This year, it is predicted that the U.S. trade deficit with Japan will reach \$50 billion. As compared with the U.S. deficit, our deficit is very small. As for the Common Market, or EC, it has a \$15 billion trade deficit with Japan. This is expected to increase this year. And there are many other countries besides the United States, the EC and Thailand that have a trade deficit with Japan.

During the past 6-7 months, Japan has tended to open up its markets somewhat. The government has issued slogans calling on the Japanese people to purchase foreign goods. It has urged the people to buy imports in order to help reduce the trade deficits of other countries.

But the Japanese people prefer to purchase goods made in Japan. The only foreign goods that they purchase are goods that are in fashion or goods that they feel are of better quality than their own. For example, they purchase expensive automobiles such as Mercedes Benz and BMW. They feel that the German engines are of good quality.

Even though the Japanese government has opened up the markets and urged the people to purchase foreign goods, it will not be easy to get the Japanese people to do this. It's not that they don't have money. They have a lot of money. The Japanese earn very high incomes. But they prefer to purchase only a few goods of top quality. This is because they do not have large homes in which to keep large numbers of items.

Thailand recognizes that the Japanese market is inconvenient in many ways. But this can be corrected if we make an effort. But at the same time, goods must be produced specifically for Japanese markets. We can't sell them surplus goods that were produced for other markets. If we do that, we will never gain a share of the Japanese market. Besides this, we have to do our own research studies. We can't rely on the studies done by Westerners. At most, these can be used to support our studies.

Today, if Thailand thinks only about selling fruit, cassava or chicken to Japan, our trade deficit will never improve. This is because these are basic commodities. They are agricultural products of low value. The world market price of these goods has fallen constantly. Prices have been squeezed, and there is much competition. It's true that we have to sell such goods because we produce large quantities of these goods. But we can't base our entire economy on these goods. We have to introduce new products to the markets.

As for this "new product" theory, we must find new products for the markets that we want. For Thailand, I think that food is an interesting field. If we can produce food products whose value has been increased through a system that is referred to as agricultural industry, that would be better than selling raw materials, which have low value. These food products must be packaged properly, meet health standards and be seasoned according to Japanese tastes.

How can we do this? We could carry on joint investment projects with the Japanese so that they could introduce food production technology here. If there are joint investment projects, Japan will try to import these goods for its markets.

Another type of Thai product whose future looks brighter is wood furniture. Thailand has staged product exhibitions in Japan and invited Japanese furniture merchants to see our products. If we study this Japanese market carefully, we have a very good chance of being able to sell our products. Another type of product that has captured 38 percent of the market and that earns approximately 900 million baht is cut gemstones. Thai gemstones are very popular with the Japanese. But Thailand should do more than just cut the gemstones. We should also set the stones instead of sending them to Japan to be set. If we can do this, the value of our goods will increase.

[Question] Has Thailand begun to make market studies? Which sector, the public or the private, has taken the initiative in this?

[Answer] We have begun to make such studies. But no serious effort has been made. The private sector is probably making such studies, but I don't know how much they have done. The private sector, or the producers here, should form a joint research association, a Thai chamber of commerce or an industrial

association. They should conduct market studies. Because today, they can't rely just on the public sector. Or we could make greater use of the various Japanese organizations in Thailand, such as Jetro.

[Question] Is there any chance of Thailand penetrating the Japanese market? And from what they have told you, what problems are they concerned about?

[Answer] We still have a chance. But we will have to make a great effort to penetrate their market. Thai merchants should join together. The Japanese market is in constant need of huge quantities of goods. But if we can't join together, perhaps we can reach Japanese markets through their trading companies in Thailand, such as Mitsui, Mitsubishi and Sumitomo. They will purchase goods, including both raw materials and finished products, that they can sell in Japan and elsewhere. But we must do more than that. Because these large corporations will purchase only goods that they know they can sell. They don't want to take any risk in finding markets. Thus, our merchants must make a greater effort to contact Japanese companies directly. We must deal more with Japanese companies and department stores in Japan. We must produce goods that meet the demands of the markets and compete with others. To do this, we must conduct market studies in order to find out what the Japanese markets want.

At present, the Japanese government is promoting imports in order to reduce its trade surplus with other countries. One of the programs of the Japanese government is to have the private sector build houses for the people so that the Japanese people will have larger, more attractive and more comfortable houses. They will be able to purchase more goods for their homes. The government is encouraging other countries to compete in selling goods to Japanese who have money but who don't know what to buy. Every country is watching Japan as if it were big cake. Everyone is thinking about how to cut this cake. This all depends on what we try to sell to them.

[Question] What was Japan's attitude after we submitted the White Book to them?

[Answer] Japan has still not reacted. We will probably have to wait until the negotiations in December. The Japanese do things very carefully. They never say anything too quickly. But they have said that this is a constructive and interesting proposal. However, our submitting this White Book has waked them up. We are the only country in the world that has proposed altering the economic structure with Japan. This is considered to be a Thai economic offensive. But just because we have launched an offensive does not mean that we will win.

Japan is probably thinking very hard about this because other countries are watching. Other countries are watching the negotiations between Thailand and Japan. Thus, the effects of this will reach beyond Thailand. This will have widespread effects. Japan will definitely negotiate with us in a very careful and serious manner.

The other negotiations between Thailand and Japan, such as the negotiations between the minister of commerce and Minister Miti, will not be abandoned. Rather, they will be expanded. Reducing the trade deficit is not the only issue. This is a matter of changing the economic structure. We want to shift from import substitution investments to export investments. Thus, this is an important matter. But don't expect the trade deficit to decline greatly in the wake of these negotiations.

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CSO: 4207/100

THAILAND

TRADE WITH HUNGARY TO INCREASE

Bangkok MATICHON in Thai 21 Nov 85 p 2

[Unattributed report: "Thailand and Hungary To Trade Directly"]

[Text] Thailand and Hungary have agreed to cut out the countries serving as middlemen and open direct trade markets. Trade is expected to triple or quadruple. Hungary is interested in purchasing rubber, pineapple, and textiles from Thailand.

At 1100 hours on 20 November, Mr Peter Veress, the Hungarian minister of foreign trade, met with Gen Prem Tinsulanon, the prime minister, at the Government House.

After the meeting, Mr Phichai Rattakun, the deputy prime minister, revealed that Hungary is interested in purchasing rubber, pineapple, clothes, and textiles from Thailand. At the same time, Thailand proposed selling leather products, which are good-quality products produced by Thai. Thailand has received permission to produce leather goods for leading French companies and companies such as Gucci, Dunhill and Charljudong. Besides this, Thailand also proposed selling finely-made doll ornaments. If Hungary is interested in purchasing these goods, it will be possible for us to reduce our trade deficit with Hungary. Because in the past, we have had to trade through a third country such as Singapore or Hong Kong. Hungary is opposed to this and would like to have direct trade.

Mr Phichai said that the main types of goods that Thailand purchases from Hungary are chemicals, fertilizer, and insecticides. In 1984, Thailand purchased 500 million baht worth of goods from Hungary. Hungary purchased 100 million baht worth of goods from Thailand. If trade between the two countries hits the targets and a joint trade market is opened, it is thought that the yearly value of trade will reach at least 2 billion baht.

Mr Phichai said that the Hungarian foreign trade delegation will be in Thailand until 24 November. They and the minister of commerce will sign a trade treaty in order to open trade markets.

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CSO: 4207/100

THAILAND

KHUKRIT INTERVIEWED ON REASONS FOR RESIGNATION

BK280936 Bangkok SIAM RAT in Thai 28 Dec 85 pp 1, 12

[Text] M.R. Khukrit Pramot granted an interview to a SIAM RAT reporter late on 27 December concerning his decision to resign as Social Action Party leader. He said: "I reaffirm my intention to resign because, after thorough consideration, I see that I am old, always suffering from illness and unable to lead the party to prosperity. In addition, there is the outcome of the by-election: I failed to lead the party to victory even in my own area. So I think it is an appropriate time for me to leave so that the party can choose another appropriate and capable person to create a future for the party."

When asked by the reporter whether there is any other reason for his resignation--for example, some press reports said that he is disappointed and depressed--Khukrit said happily: "Not at all, I am not disappointed nor do I feel hurt. On the contrary, I am proud and want to thank the people, officers, and government officials for voting and supporting the party in such a way that we nearly won the by-election."

Asked whether he intends to resign as a member of the house of representatives after resigning as party leader, Khukrit said he did not think he would because if he does there would be another by-election that would exhaust the country's money. So, I do not think I have to resign as an MP."

"I just want to be an ordinary MP, and will be careful not to play any role. What I do will depend on the party's resolution. If the party wants me to support an issue, I will vote for it only when I think it will benefit the country or the majority; but I will miss meetings if the party's resolution is against my feelings."

Asked what he will do in the future when he no longer has party duties, Khukrit said with a smile: "I will act like a lay disciple, observing the five, eight, or ten principles of Buddhism, depending on the situation."

/9738
CSO: 4207/117

THAILAND

POLICEMAN SENTENCED FOR SUPPORT OF LESE MAJESTE, CPT SUSPECTS

Bangkok WIWAT in Thai 25 Nov-2 Dec 85 pp 24, 25

[Unattributed report: "An Event in Chiang Rai, a Lesson From a Low-Ranking Police Official"]

[Excerpts] "The Chiang Rai police precinct sentenced my friend to 15 days in jail. Do you know why? Because he wrote a letter, which was printed in the letters column of ATHIT-WIWAT, asking that the 22 communist suspects and the 3 lese majeste suspects be treated fairly."

The young man from the north laughed softly while talking with an ATHIT-WIWAT reporter one morning at the beginning of November 1985. He had just told the reporter about a "friend" of his. He continued by saying that "he has written a letter asking for justice and help and asked me to give it to the governor of Chiang Rai Province. He has asked to be transferred. Here is a copy of the letter he sent to the governor. Actually, he did not want to make an appeal because he is afraid of violating disciplinary regulations again. I am giving you his letter and hope that you will print it in ATHIT-WIWAT. He probably won't be punished this time. Because asking to be treated fairly is an ordinary matter."

The young man from the north gave the letter to the ATHIT-WIWAT reporter. This letter, dated 11 November 1985, was written at the Chiang Rai provincial police station in Pa Tan Subdistrict, Thoeng District and was signed by Police Master Sergeant Thirachai Thipakson, squad leader at the Chiang Rai provincial police station in Pa Tan Subdistrict, Thoeng District.

The Path of a Police Master Sergeant

After the "young man from the north" left the office of ATHIT-WIWAT, our reporter quickly searched for the letter that Police Master Sergeant Thirachai had sent to us and that was the cause of his being jailed for 15 days. We discovered that ATHIT-WIWAT had printed that letter in the 29 September 5 October 1984 issue. His letter was addressed to "Gen Prem Tinsulanon, the prime minister, through ATHIT-WIWAT. The letter asked that the government take speedy action in investigating the 22 communist suspects and the 3 lese majeste suspects and recommended that these suspects be granted bail. Police Master Sgt Thirachai gave his name and position openly.

ATHIT-WIWAT has followed the story of this "low-ranking" police official with great interest even though this is a minor matter and concerns only one person.

Official documents show that Police Master Sgt Thirachai comes from Mae Phrik Subdistrict, Mae Suai District, Chiang Rai Province. He began his career at the Provincial 3 Police Academy in Cho Ho Subdistrict in Nakhon Ratchasima in March 1973. He was then assigned to the Buriram provincial police station in Muang District. In May 1980 he was transferred to the Police "SS" Precinct, Provincial Headquarters 4, Nakhon Ratchasima. In February 1984 he was transferred to the Chiang Mai provincial police station in Pa Tan Subdistrict, Thoeng District, where he worked as a detective.

The Lesson of a Low-Ranking Official

The young man from the north said that "Police Master Sgt Thirachai is a thoughtful man who loves justice. Sometimes he loves justice "too much." It was just like him to write that letter asking that the communist and lese majeste suspects be treated fairly.

"He always stands on the side of justice. He is definitely not a policeman who oppresses or persecutes people. He may be somewhat unfortunate in that he is a police official who holds good political views. Policemen of the other type view him as being crazy," said the young man from the north, the friend of Police Master Sgt Thirachai, to ATHIT-WIWAT that day.

Police Col Chana Nanthawisai, the superintendent of Chiang Rai Province, signed the order to punish Police Master Sgt Thirachai on 19 March 1985. He was punished for violating Article 5 (3) (7) of the 1934 Act on Police Discipline and other acts on police discipline. He was sentenced to 15 days in jail. And it will be "difficult" for him to request a transfer to live with his family in another district.

"I know that he has sent a letter to the director-general of the Police Department asking to be treated fairly. His wife has sent letters to the units concerned explaining the necessity of this. She has been doing this for more than a year now. Family problems are a difficult matter. I am a teacher and so I know," said the young man from the north.

The case of Police Master Sgt Thirachai is just one case, but it provides insights into the life of a low-ranking government official who is honest and who tries to do what is right. But sometimes, there may be differences between the "system" and "being a good person."

Police Master Sgt Thirachai will perform his duties honestly, bravely and resolutely for the Police Department if he is given a chance to show his honesty, bravery and resoluteness, unless he becomes "numbed" by the system in which he works.

(Copy)

Chiang Rai Provincial Police Precinct Order

No 70/1985

Subject: Punishment of a Police Official

Police Master Sgt Thirachai Thipakson, a detective with the Chiang Rai provincial police station in Pa Tan Subdistrict, Thoeng District, was charged with acting improperly and violating the police code of conduct. He sent a letter to the prime minister, which was published in the 29 September-5 October issue of WIWAT, asking that the 22 communist suspects and 3 lese majeste suspects be treated fairly. This took place during the period September-October 1984 at the Chiang Rai provincial police station in Pa Tan Subdistrict, Thoeng District. A committee was formed to investigate the matter based on Chiang Rai Provincial Police Precinct Order 302/1984 dated 3 December 1984.

The committee conducted an investigation, and Police Master Sgt Thirachai Thipakson confessed that he had in fact sent a letter to the prime minister through WIWAT in order to ask for justice on behalf of the communist and lese majeste suspects. However, he was not involved with the suspects in any way. He did this only to express his views. In doing what he did, Police Master Sgt Thirachai Thipakson violated Article 5 (3) (7) of the 1934 Act on Police Discipline.

Thus, based on the powers granted by Article 10 of the 1934 Act on Police Discipline as revised by Article 9 of the 1950 Act on Police Discipline (5th edition) and Articles 60 and 61 of the 1978 Police Act, I hereby sentence Police Master Sgt Thirachai Thipakson, the accused, to 15 days in jail.

Dated: 19 March 1985

Signed: Police Col Chana Nantharisai
Chiang Rai Provincial Police Superintendent

Correct copy

Police Sublieutenant [signature]

Deputy Inspector, Chiang Rai Provincial Police Precinct

copied/proofed

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CSO: 4207/96

THAILAND

FOREIGN MINISTRY MARKS AFGHAN ANNIVERSARY

BK271227 Bangkok Voice of Free Asia in Thai 1030 GMT 27 Dec 85

[Text] Pratchayathawi Tawethikun, deputy director general of the Foreign Ministry's Information Department, told a news conference at the department's news center this afternoon that the Thai Foreign Ministry has issued a statement in connection with the 6th anniversary of the Soviet occupation of Afghanistan. The major contents of the statement are as follows:

The Thai Government expresses its concern over the current situation in Afghanistan in which continuing Soviet military interference constitutes a violation of international law and runs counter to the UN Charter, seriously affecting international peace and stability, causing instability in the region and forcing more than four million Afghan people to leave their home and take refuge in neighboring countries. Hundreds of thousands of Afghans have been killed and wounded during the fighting.

The Thai Government, which has always supported the UN resolutions on the Afghan problem, joins the international community in calling for the immediate withdrawal of foreign troops from Afghanistan and the creation of the necessary conditions to enable the Afghan people to return to their homeland with honor and in safety and freely choose the form of government as well as the economic, political and social systems of their choice without external interference, coercion, subversion, or any form of restriction.

/9738
CSO: 4207/117

THAILAND

UNION CHIEF ON PLANS, VIEWS OF ARMY

Bangkok WIWAT in Thai 25 Nov-2 Dec 85 pp 20, 21

[Interview with Mr Thanong Pho-an, the new president of the Employees' Council of the Labor Council of Thailand; date and place not specified]

[Text] On 17 November, the Employees' Council of the Labor Council of Thailand held an extraordinary meeting to elect a new executive committee. Mr Thanong Pho-an, the secretary-general of the Transit and Export Services Labor Union, was elected president. Mr Chuphong Thirhuan, the president of the Provincial Water Works Authority Labor Union, was elected secretary-general. Mr Thanong replaces Mr Ahmat Khamthetthong as president. After his victory, Mr Thanong granted an interview to ATHIT-WIWAT. His remarks point to the direction that the labor union and labor movement will take.

[Question] What do you think of your landslide victory in your bid to become the leader of the Labor Council of Thailand?

[Answer] I think that I won fair and square. I won the confidence of the people and received their votes. These people saw that my policy line can become a reality. Before the election, I announced a clear policy. I took a clear position and said that we will not be under the influence of any political party. The election results show that those who elected me have confidence in me and that they approve of my policy. Otherwise, they would not have voted for me.

[Question] What is your policy for administering the affairs of the Labor Council?

[Answer] I plan to do exactly what I said. I have placed great stress on this. First, we will not bow down to anyone. We have to stand on our own and not be dependent on any political party or group or even any military group. We have to be independent. Unlike the former administrators, we are doers, not talkers.

Second, I want to build solidarity among the workers. I want to unite the workers. We will hold meetings so that the members of the Employees' Council and the Labor Confederation of Thailand can get to know each other better. We have already made plans to do this. We will hold such meetings frequently.

Third, a problem to which we must give constant attention is the country's economic situation. Today's economy is very worrisome. Particular attention must be given to the laborers and people in general. We will unify the workers. We will exert pressure on workers and others to play a role in supporting those political parties whose policies are in line with ours and whose policies are really in harmony with the needs of the workers and people.

[Question] Do you have any policies for healing the splits between the laborers in the various organizations?

[Answer] At present, we are trying to keep all our members. We are trying to persuade those who left to rejoin us. We are trying to make the labor council more efficient. We will place greater emphasis on the quality of the work than was the case in the past. I don't think that there will be any problems. We are acting in accord with the objectives of the labor council.

[Question] What do you think about those laborers who were involved in the events of 9 September?

[Answer] I am not convinced that they really did participate in that. I think that they were unaware of what was really happening. I don't want to say anything about what might happen because the case is now in trial. If I said anything, that would be interfering. That would be bad for justice. But...we have not abandoned those labor leaders. We have established a committee to provide them with legal aid if they should need it. We have sent people to keep an eye on things. We have not abandoned them. Even though this is a matter of political ideology, there is nothing wrong with this. This is a matter of ideology. That is my understanding.

[Question] What do you think the future will be like for Thai laborers?

[Answer] We have to do things in stages. In the first state, we will hold seminars for the members of the Labor Council of Thailand and the labor unions. Each organization will send representatives to attend the seminars. The Employees' Council will send five representatives. The International Confederation of Free Trade Unions (ICFTU) will help coordinate things the first time. We will hold this seminar in Singapore. I think that the chances of success are about 80 percent. We are quite confident about this.

[Question] Will you coordinate things with the Labor Union of Mr Phaisan?

[Answer] Mr Phaisan and I are very close. He is the one who got me involved. He asked me to come help this labor council. I wanted to the best job I could. But after I got involved, he turned his back on me. I still feel hurt by what he did. Now that I am involved, I have to do the best I can. I have to improve the old image of the labor council. It had a very bad image. Personally, relations between us are fine. If a problem should arise, I will talk with him. As for our joining together, we will have to think about that. I have to start afresh. I am confident that the labor council's image will be greatly improved by the beginning of 1986 or by 1987 at the latest. As for the other unions, we have not held any official talks. We will probably begin holding talks in the near future.

[Question] What do you see as labor's role today?

[Answer] The labor movement has deteriorated greatly in the wake of the various things that have happened. The image of the laborers has been tarnished greatly. It's nonsense to have policies with a lot of rules that no one can follow. I believe that we have to carry out things based on the policies that we have formulated. We can't follow the policies formulated by others. You know to whom I am referring.

Thus, we all have to help improve the image of the laborers. We have to strengthen the workers and provide them with a firm standpoint. We have to move forward slowly and carefully. Our plans will come to nothing if we bow down to others or take money from them. We have to follow our own policies. I do not approve of that. I think it's time that the laborers joined forces again in an efficient manner.

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CSO: 4207/96

THAILAND

EX-GENERAL FACES CORRUPTION CHARGES; REACTIONS REPORTED

Prem May be Called as Witness

Bangkok NAE0 NA in Thai 27 Nov 85 pp 1, 2 14

[Unattributed report: "Chamnan Says That if Charges Are Filed Against Him, He Will Call Prem as a Witness"]

[Excerpts] The Office of the Commission to Counter Corruption (OCCC) is investigating Gen Chamnan Ninwiset. This has become a very complicated matter because the former under secretary of defense has stated that he will call Gen Prem Tinsulanon, the prime minister, to testify on his behalf during the trial. He said that the corruption charges that have been filed against him are just "political retaliation." Senior OCCC officials refused to comment on this, saying that "this is being handled by senior people."

Last Tuesday, an official in the Department of Public Prosecutions told NAE0 NA that charges against Gen Chamnan would be filed by the end of the year.

At a cabinet meeting held that same day, Mr Michai Ruchuphan, the minister attached to the Office of the Prime Minister, who is responsible for OCCC operations, informed those at the meeting about the results. But nothing was said about the matter of the former under secretary of defense.

"I think that this is the worst thing that has ever happened to me because they are trying to destroy me," said Gen Chamnan during an interview last Tuesday. He said that several senior people whom he respects are suffering greatly because of the "lack of sympathy" of certain people.

The former under secretary of defense said that he is worried about a split developing because of "resentment and fears" and about the use of dirty methods. But he did not explain this or mention any names.

In reference to the reports that have appeared in several newspapers, which state that he has assets totaling 70 million baht, Gen Chamnan said that that figure is greatly exaggerated. He said that he has informed the prime minister that that figure is incorrect and that "someone has bad intentions."

The OCCC sent the investigation file to the Department of Public Prosecutions on 30 October. On Tuesday, an official from the Department of Public Prosecutions told NAEO NA that the Civil Litigation Division is now examining the evidence. The officials responsible are proceeding with this as quickly as possible.

However, Gen Chamnan believes that the matter is now at the stage of being considered by the prime minister. He has charged that the OCCC has bypassed stages. He said that certain aspects have to be kept confidential and not recorded on OCCC forms. But he will talk to the prime minister and answer those questions orally.

"I have recorded this as evidence, but the OCCC has not acted accordingly," said Gen Chamnan. He said that the OCCC's task is to determine whether people obtained assets by engaging in corruption. But people whose assets exceed their salaries are now viewed as having obtained their assets improperly and are being required to prove that they are innocent. It will be easy to "use this as a dirty tool in order to disgrace and publicly humiliate people or get even for some political affront."

However, we were not able to contact Professor Praphat Awoyachai, the chairman of the OCCC, after work on Tuesday. But a senior official in the OCCC told NAEO NA that "senior people are handling this."

This official, whose name and position we cannot reveal, said that "you know quite well that senior people are handling this. I can't say any more than that." He said that all questions must be directed to the chairman of the OCCC.

At the end of the interview, Gen Chamnan said that he will fight this attempt to "get even." "That is all I will say. If I say any more, everyone will know what I am like. But I will say that I will act in character as a former soldier. I will try my utmost to act like this. This is what I must do if someone confronts me," said the former undersecretary of defense.

General, Government Spokesman React

Bangkok MATICHON in Thai 27 Nov 85 pp 1, 16

[Excerpts] On 26 November, Gen Chamnan Ninwiset, the former under secretary of defense, talked about the OCCC conducting an investigation to see if he engaged in corruption. He said that he first learned about this at the end of October, 1 month after he retired. The newspapers have said that he has assets of 70 million baht, but that is an exaggeration. If they had not set the figure so high, it might not have seemed that he was unusually wealthy. He has informed Gen Prem Tinsulanon, the prime minister, that this is an exaggeration and that someone has bad intentions.

Gen Chamnan said that he has appealed to the prime minister and that the matter is now under consideration by Gen Prem. "I will have to call him as a witness because he knows about my personal affairs. Besides this, these assets are not all mine. Some I earned, some are gifts and some I inherited. They were not all purchased with my salary."

The reporter asked why these charges had been filed against him. Gen Chamnan said that this probably has something to do with the secret government funds, the cooperation of the banks and military radio and television activities. These things have provided the stimulus for this smear campaign. He warned that in the future, government officials who have worked hard for their money might withdraw their money from the formal system. Because today, it is very easy to withdraw your money from the formal system. People are afraid that they will be charged with being unusually wealthy based on their salaries.

The reporter asked about the matter of the banks cooperating. Gen Chamnan said that he will reveal which banks were involved during the trial. In particular, those private banks that people think are state banks are very evil. He will have to inform the ministries of defense and finance about their responsibilities toward these banks. Also, the OCCC has used its powers over the banks improperly, which is dirty on the part of these officials.

"A good example today is that the OCCC does not have any power over me or my family. But it is pressuring the banks about me. Some of the banks are not very perceptive. Neither the OCCC nor anyone else has the authority to gather information about me or my family from the banks unless the court has approved this. If a bank, particularly a large bank, gives out information without the proper authority, it must bear both legal and ethical responsibility. If it acts improperly like this, no one will have any confidence in it."

Gen Chamnan also said that the OCCC's task is to determine whether people obtained assets by engaging in corruption. But people whose assets exceed their salaries are now viewed as having obtained their assets improperly and are being required to prove that they are innocent. It will be easy to "use this as a dirty tool in order to disgrace and publicly humiliate people or get even for some political affront."

"They have not considered what type of person I am. I have told them that there are certain matters that I don't want to report on OCCC forms. But I have said that I will discuss these orally with the prime minister. I have said that they can question me orally at any time. I have written this down as evidence. But the OCCC has not done this. They bypassed certain steps before the matter reached the Department of Public Prosecutions," said Gen Chamnan.

Gen Chamnan said that he feels certain that the prosecutor will act properly in arriving at a decision and not simply do what the OCCC tells him without questioning his superiors or following the proper steps. "But I will tell you that I will act in character as a former soldier. I will try my utmost to act like this. This is what I will do if someone confronts me," said Gen Chamnan.

That same evening, Mr Trairong Suwannakhiri, the spokesman for the Office of the Prime Minister, said that the cabinet had received a report on the activities of the OCCC, which is trying to take speedy action and do things in strict accord with the policies of the prime minister.

Mr Trairong said that the cabinet had received a report on the activities of the OCCC and praised its work, saying that it has carried out its duties in a very praiseworthy manner. It has countered corruption in a very efficient manner and prevented people from making improper use of the nation's budget. It has taken action against violators, or those charged with violations, properly and fairly.

Prosecutor Won't Call Prem

Bangkok DAILY NEWS in Thai 28 Nov 85 p 20

[Unattributed report: "Prosecutor Won't Question Prem in the Chamnan Case"]

[Text] A report issued by the Department of Public Prosecutions on 27 November stated that the Department of Public Prosecutions is in the process of obtaining important documents from the OCCC in order to compile sufficient evidence before filing charges against Gen Chamnan Ninwiset, the former under secretary of defense. The OCCC has found that he is unusually wealthy and that he cannot explain the source of his wealth. The department expects to file charges next month. However, it will not question any more witnesses. Specifically, it will not question Gen Prem Tinsulanon, the prime minister, to whom Gen Chamnan has referred. It will let the court decide if any additional witnesses should be called for questioning.

Editorial on Anti-Corruption Unit

Bangkok THAI RAT in Thai 29 Nov 85 p 3

[Editorial: "Unusually Wealthy Government Officials"]

[Excerpts] The reports that the OCCC has recommended that prosecution officials investigate the charges that a retired general is unusually wealthy in order to take legal action against him have caused people to wonder whether the OCCC has begun to take resolute action against such behavior.

Even though action has been taken against state officials accused of using their powers for personal gain, there have been complaints that only the "small fry" have been arrested and that the "big fish" have been allowed to escape because of political reasons and because of loopholes in the law. The OCCC has been called a giant without a club or a paper tiger.

But based on the way that things are done now, even if the OCCC's investigation clearly shows that the accused person really is guilty as charged, the OCCC cannot punish that person. In criminal cases, it must turn the case over to the police, who must conduct a new investigation. In cases

involving discipline, it has to submit the matter to the person's superiors. This gives people a chance to "pull strings" or seek help in a patronage system.

As for investigating government officials who are unusually wealthy, the law gives the OCCC the authority to take action. If a person cannot prove that he obtained his wealth legally, he will be considered to have made improper use of his authority. The matter will be submitted to the prime minister, who will consider whether to dismiss the person from government service. Prosecution officials will inform the court in order to have the court declare that the assets of that person belong to the state, unless he can prove that he acquired them legally.

But to date, very few people have been investigated on charges of being unusually wealthy. And so whenever a person is investigated on such charges, this is itself unusual. And it is said that this is being done in order to persecute that person. Thus, so that things are fair, the OCCC should always do things based on the law. That is, it should investigate everyone accused of gaining great wealth illegally.

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CSO: 4207/105

THAILAND

MILITARY OFFICIALS ON THREAT POSED BY SRV

BK060724 Bangkok NAE0 NA in Thai 6 Jan 86 pp 1, 16

[Text] Speaking to newsmen on 5 January, 1st Army Region Commander Lieutenant General Phichit Kunlawanit said the Cambodian border situation this year will not be as violent as last year despite Vietnam having received more war materiel this year. This is because Vietnam is suffering from domestic economic problems and low morale among its soldiers, many of whom have deserted. In any event, the Thai forces are always vigilant.

Meanwhile, Major General Bunthaen Nianchaloei, commander of the Suranari Force, presided over a rally of volunteers, village scouts, and people at the headquarters of the 23d rangers units in Kantharalak District, Sisaket Province at 1420 [word indistinct] January. The rally was organized by Chamlong Ratprasoet, the provincial governor. Maj Gen Bunthaen said the purpose of the rally was to encourage civilian volunteers to augment ranger operations in the field by joining in the operations and providing information on movements of the opposition.

Bunthaen asked that people not travel into the jungles, particularly in the lower northeast region, due to the presence of many landmines and vigorous Vietnamese suppression of Cambodian elements.

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CSO: 4207/117

THAILAND

AIR FORCE ASSISTANT CHIEF OF STAFF FOR OPERATIONS PROFILED

Bangkok DAILY NEWS in Thai 25 Nov 85 p 5

[DAILY NEWS Square column by Nanthana: "Newest Air Vice Marshal Invites Alumni of Assumption College to Attend the Party on the 100th Anniversary of the Founding of the College on 30 November"]

[Text] Air Vice Marshal Kan Phimanthip, the assistant air force chief of staff for operations, was born in Bangkok Metropolitan. He lived in the Si Phrya area. He is now 53 years old. He is the eldest child of Thanom and Sanguan Phimanthip, both of whom are deceased. He has only one sister. He is married to Saichaiwadi Kanyanmit. They have just one child, Kawin Phimanthip, who recently graduated from Assumption College.

The first school that he attended was the Prasan Akson School. He then transferred to Assumption College, where he completed secondary school. He then took the entrance examination to attend the RTAF Academy, where he was a member of Class 1, the same class as Air Vice Marshal Kaset Rotchananin and Air Vice Marshal Woranat Aphichari. After that, he attended the Flight Training School, the Squadron Officers' School, the Air Command and Staff College and the National Defense College, Class 27.

When he graduated in 1958, he was assigned to Squadron 52, 5th Wing. Following that, he was transferred to Squadron 13, 1st Wing. He then served as the assistant to the chief of staff. Just before being promoted to flight lieutenant, he resigned his commission to serve as a mercenary in the Korean War. He served there for almost a year. On his return, he entered the service again and was made the leader of Squadron 43. He served as the chief of staff of the 4th Wing, the head of the Training Unit, Tactical Air Command, the commander of the 1st Wing, the air force attache to Malaysia and Singapore and deputy director of air force intelligence. On 1 October 1982 he was made the director of air force intelligence. Following that, he became the director of air force operations. Most recently, he was promoted to air vice marshal and made the assistant air force chief of staff for operations.

In the past, he was one of the top athletes at Assumption College. He also played soccer for the air force. Today, all he plays is an occasional round of golf. He likes to drink but not smoke. He likes spicy foods such as minced meat and "samtam" salad with glutinous rice.

He is satisfied with his assignment as assistant air force chief of staff for operations. But since he was once a fighter pilot and must now be content to sit behind a desk, it is only natural that he becomes moody at times. But he always reminds himself that to be a good pilot, you have to study and constantly improve your knowledge about aircraft. Thus, if he wanted to become a pilot again, he would have to study hard. It's interesting that he had wanted to become a policeman, not a pilot. But one Air Force Day, he had a chance to watch an air show put on by the air force. That immediately changed him mind. After that, he wanted to be a pilot.

The intelligence units of each branch of service are very important units. This is because the various intelligence sources all send their data to these units. The intelligence department is responsible for sifting through all the data to determine what the facts are. The factual data are then reported to the commander. Thus, regardless of what is happening, the intelligence departments of the various branches of service must know what is happening. This is a matter of national security.

This is the "luk moh" who has flown various types of air force aircraft, including jet aircraft, prop aircraft and transport aircraft. He has many social duties, one of which is serving as the vice president of the Assumption Association, the current president of which is Air Marshal Prakop Buraphrat. In his capacity as the vice president of the Assumption Association, Air Vice Marshal Kan invited alumni of Assumption College to attend the 100th anniversary of the founding of Assumption College in order to reminisce.

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CSO: 4207/96

THAILAND

BRIEFS

SEIZURE OF FISHING TRAWLERS--During the period under review, the situation in the area under the Royal Thai Navy was normal. The navy's aircraft and ships continued routine patrol missions in Thailand's border areas with Cambodia, Vietnam, Burma, and Malaysia. The Thai-Malaysian joint patrol boat unit performed its normal tasks. During this period a total of 10 Thai fishing trawlers were captured--on 27 November, and on 4 and 7 December by Vietnamese authorities, and on 9 December by Malaysian authorities. The 10 trawlers are Chanphen nos. 2, 4, 6, 15 and 16; Pharasamut no. 10; Yutthanawi no. 2; Phetprasoetsak nos. 5 and 14; and Chokdi. The Royal Thai Navy therefore warns our fishermen not to trespass into the territorial waters of other countries for the safety of their own lives and property. Vietnam has been sending out more gunboats to guard its waters against foreign fishing trawlers. [Statement by Navy Secretary Rear Admiral Dilok Phattharakoson on situation in the area under the Navy's responsibility] [Text] [Bangkok Domestic Service in Thai 1300 GMT 27 Dec 85 BK] /9738

U.S. FARM BILL EFFECT--The deputy director general of the Foreign Ministry's Information Department, Pratchayathawi Tawethikun, reported that the U.S. farm bill amendment has now become law after endorsement by President Ronald Reagan. This will seriously affect Thailand, especially in the next five years--from 1986 to 1991. The bill will reduce the price of U.S. rice to world market prices because of subsidies from the U.S. Government. This will enable the United States to export more of its rice as the price will be more competitive. Thus U.S. rice will compete with Thai rice in Thailand's export markets. Pratchathawi said the government is not standing idly by. It is studying how to protect Thai rice markets from being affected. The Foreign Ministry has already instructed Thai Ambassador to Washington M.R. Kasemsamoson Kasemsi to emphasize to the U.S. Congress the economic burden and damage to Thailand from this measure. [Text] [Bangkok Voice of Free Asia in Thai 1030 GMT 27 Dec 85 BK] /9738

CSO: 4207/117

MILITARY AND PUBLIC SECURITY AFFAIRS

JUSTICE MINISTER PHAN HIEN ON PENAL CODE

OW060201 Hanoi Domestic Service in Vietnamese 1100 GMT 25 Dec 85

[Interview with SRV Justice Minister Phan Hien by Voice of Vietnam reporter on preparations for the implementation of the SRV penal code, to take effect on 1 January 1986, and on future work--date, place not given]

[Text] [Unidentified reporter] Comrade minister, the penal code will go into effect on 1 January 1986. Will you please say something about our past preparations for its implementation and the result of these preparations.

[Phan Hien] Over the past six months, we have done the following things:

First, we organized training for legal cadres so they clearly understand the penal code and will correctly apply its provisions in their work.

Second, we made preparations for some documents to provide guidance on the application of the code or to provide further stipulations on some work that is necessary in the organization for the code's implementation.

Third, we have organized widespread propaganda about the penal code among cadres and the people.

First of all, I am going to talk about the preparations for some organizational work and training. Then I will talk about propaganda to popularize the penal code, because, in today's talk, I think it should be stressed.

Concerning cadre training, cadres from judiciary agencies, public security services, the people's organ of control, courts, and the state inspection commission have jointly held conferences at the central level and run short-term classes in localities to train cadres of the five sectors to help them initially grasp new features and the essence of the penal code, so that they will be able to correctly enforce the penal code when it goes into effect.

Responsible organs have also performed a number of organizational tasks, such as preparing documents designed to provide guidance on the application of the penal code or to stipulate in detail a number of issues that could

not be stipulated in detail in the code, such as the document stipulating a number of punishments in the code or the document on administrative fines.

Along with conducting cadre training, we have also organized an inspection drive on arrests, incarceration, trials, and sentencing, especially in the three large municipalities of Hanoi, Haiphong, and Ho Chi Minh City. Initial reviews have shown good work and also revealed errors and shortcomings that need to be straightened out or revealed that better guidance must be given for correct enforcement--or that even more organizational measures are needed.

Now I am talking about propaganda for popularization and explanation of the penal code. All in all, all sectors, party committee echelons, and local administrations have correctly carried out this work. They have linked it to the implementation of the eighth resolution of the party Central Committee plenum and to political tasks in the localities. It is praiseworthy that some areas have done this work while they have had to overcome the serious consequences of flooding and typhoons.

In all localities, study sessions about the penal code have been held for precinct and district cadres--even for subwards and village cadres in some areas--in many areas propaganda about the code has been conducted among the people. In our army, plans are being carried out for propaganda on and popularization of the code among the combatants.

During study sessions, many areas have taken advantage of the gatherings to step up the work of strengthening market management and combating speculation, smuggling, and price hiking in the localities. They have thus made the study about the code practical and lively, and shown the bad impact and consequences of lax law enforcement and the failure to comply with the law. In localities, the status of legal observance has been checked and measures devised to rectify errors and right wrongs. For example, the Bat Trang villagers have voluntarily dismantled 40 houses illegally built on the Xuan Quang Culvert and on the Bac Minh Hai agricultural irrigation canal banks, and have dredged 3,000 cubic meters of the dumped coal refuse that clogged the canal. There are also many other typical examples.

On the whole, since the 1980 study drive about the Constitution, the current drive is the most extensive and vigorous about legislation. Massive contributions have been made by the press, the central-level and local radio stations, the television station, and other mass media facilities. What has made those contributions possible? First, we think, it is thanks to the clear perception by all echelons of party committees and administrations of the significance of the penal codes' promulgation, its degree of importance, and its impact as an instrument that contributes to ensuring public order, stabilizing the situation, and combating crimes and other serious negative manifestations in society. Second, it is because we have been able to mobilize the integrated force of all sectors, agencies,

and mass organizations, and organized a campaign that reached down to the grassroots units. There, the issue was presented clearly and in an easy-to-understand manner and in particular, dialogue was used so that the listeners understood the lecturers' explanations, and he in turn studied and grasped the listeners' views and thence their aspirations. However, those are only the initial results, because certain facts have limited the success we have achieved. At the central level, many ministries and sectors have devised correct plans for propaganda and popularization of the code down to the grassroots level, but not a few ministries and sectors at the central level have failed to devise plans, key cadres have not yet studied the code, and the related work has not yet been done scrupulously, thereby badly influencing the subordinate echelons. Detection of errors and wrongful practice has led to some results, but a very important requirement is we must be resolute in rectifying errors. Moreover, organizational preparations are still slow; documentation preparations are too time-consuming; cadre training is extensive, but not intensive.

[Reporter] Minister, in order to ensure scrupulous implementation of the penal code, what else should we continue to do in the coming period?

[Phan Hien] If we want to scrupulously implement the penal code, which goes into effect on 1 January 1986, propaganda and popularization must go on after that date. Why? Because a number of central-level agencies and mass organizations have not done that work, and a number of localities have done something about it, but not well. Those areas that have not yet performed that work must begin immediately, and those areas that have not yet done it well must do it better. By and large, the areas that have done that work have done it extensively, not intensively. Therefore, plans must be devised for intensive work, for linking the propaganda and popularization about the penal code with that of other legal documents--of course, selective legal documents, to suit certain requirements--with education to enhance consciousness about socialist laws and to raise the level of socialist ethics, the people's sense of collective mastery.

The purpose of intensive training is to make everyone understand it, agree to its every provision, and provide intensive support to its implementation, and to overcome the outsider's attitude, the fears of involvement, and consequences that lead to non-participation in the struggle against crime.

As far as cadres are concerned, those in charge of investigation, control, trials and sentences, and implementation of sentences are on the forefront in the struggle against crime. As such, they must have, apart from their firm political knowledge and brilliant socialist ethics, an increasingly enhanced professionalization level. Obviously, we still cannot be satisfied with 5- to 7-day training sessions. We must necessarily run many more diverse classes and many symposiums, to make them firmly, thoroughly grasp the penal code. Not only low-level cadres, but mid- and high-level cadres also must attend those classes and symposiums. Control of the results must be made as training goes on, and final examinations are required.

Criminal offenses committed after 1 January 1986 must be promptly brought to trial, and sentences rapidly and neatly carried out in order to prove legal efficiency. As for the cases that are being handled, the spirit of the new penal code must be observed. Some time after the implementation of the penal code, experiences must be drawn so that timely guidance can be provided for new problems--or problems that arise from realities.

In short, we must transform perception into action, concrete work. That is of momentous importance in implementing the penal code so that it becomes a part of the people's life.

[Reporter] Thank you, comrade.

/9738

CSO: 4209/212

MILITARY AFFAIRS AND PUBLIC SECURITY

BRIEFS

SIMULATED CHEMICAL ATTACK TRAINING--To evaluate exactly the results of training of its detachments in 1985, the Song [word indistinct] Group recently organized exercises involving river-crossing under enemy attack using chemical weapons. Drawing on the experience of previous exercises, this time around the group made fairly thorough preparations, from planning and securing materials and technical equipment to checking cadres' organizational skills and leadership and combatants' movements. At the same time, the group satisfactorily carried out educational and motivational work and bolstered the resolve of its detachments to perform their tasks well. During the exercises, all detachments correctly followed various stages of training and practice such as reconnoitering, marching, driving vehicles to and from ferry landings, assembling ferryboats, and moving loaded ferryboats across rivers under realistic combat conditions.
[Excerpt] [BK310952 Hanoi Domestic Service in Vietnamese 1400 GMT 30 Dec 85]

CSO: 4209/211

INTERNATIONAL RELATIONS, TRADE AND AID

ARMY PAPER ON REAGAN'S ATTITUDE AFTER SUMMIT

BK041215 Hanoi Domestic Service in Vietnamese 1430 GMT 3 Jan 86

[QUAN DOI NHAN DAN 3 January commentary: "A Rush of Cold Winds Blow Out From the White House"]

[Text] The echo of the Soviet-U.S. summit continues to spread widely and infiltrate deeply into Hanoi conscience. One has the feeling that entering 1986, the world political atmosphere seems to be less tense. One also hopes that the trend for world detente will be further developed. Mr Reagan's tone has been softened somewhat. He has temporarily set aside his familiar vituperations like those he uttered at the beginning of last year when he called the Soviet Union an imperialist and a criminal. His attitude also seems to be less arrogant. However, the change in his tone is rather an act of a movie star than a real-life action. His medal of peace still has another rough side.

The Geneva spirit got distorted at a crucial point immediately after President Reagan was back in Washington. In his report to the U.S. Congress as well as in some of his public statements he recklessly declared that the Soviet side is fully sympathized with the U.S. Strategic Defense Initiative [SDI] program. He regarded this as an important victory of the United States at the summit. Then green light was given to urgently implementing the plan for militarization of the outer space. (Abraham Lampson), the creator of SDI, announced a decision to shorten the testing period for the Star Wars defense system by 2 years as compared with originally planned. The Atlantic, a new-type space shuttle, was launched into space in a secret test conducted just seven days after the Soviet-U.S. summit. One week later, Weinberger flew to London for talks with British Defense Secretary Michael Heseltine. Then, an agreement was signed and Britain officially joined the U.S. SDI program. This was followed by a meeting between the U.S. defense secretary and Woerner, his FRG counterpart, and a joint agreement was announced, saying that the Soviet Union has not changed its warlike nature. Next came a Bonn announcement on its decision to participate in the SDI program. There were two nuclear explosion tests conducted in Nevada during December 1985--one hydro bomb test as part of a joint U.S.-British plan and another under the SDI program. The U.S. arms race has not reduced its speed.

The fact that Reagan chose to grant an interview to certain Italian newspapers and had this interview reported widely in the United States on 10 December--the same day with Italian news media reports--is regarded as a basket of cold water pouring over the heads of the west European people at a time when they were breathing a sign of relief, for they thought that tension was easing.

Reagan warned those who are living with illusion that he does not have any illusion for the nature of communism and for Soviet foreign policies, that there will be no major and immediate change and that the world must familiarize itself with the fact that basically, the U.S.-Soviet relationship is still characterized by polemic despite the efforts by both sides to ensure that this polemic takes place in peace.

Only three weeks after the Geneva summit, people could hear and see the Reagan administration was ever more determined in resolving the burning regional issues in the American way and in increasing its support for anticommunist resistance movements in the Third World against Soviet expansionism. The U.S. President said: We cannot and do not wish to turn our back toward those people who are making selfless sacrifices in the anti-communist struggle for freedom. Secretary of State Shultz also joined Reagan's anticommunist chorus by claiming that the only way to reach a solution is to fight back with the use of force against all Soviet acts of military intervention in U.S. allied countries in America, Africa, and Asia and that now there is no question of allowing them to freely conduct any excursions like those in Angola, Afghanistan, Ethiopia, Nicaragua, and Cambodia.

U.S. military aid to reactionary forces in various countries has been approved and noisily announced: \$500 million to the Afghan reactionaries in this fiscal year and \$15 million as additional aid to the National Union for the Total Independence of Angola and more additional aid to the Contadora forces in Nicaragua.

We are now only at the threshold of the state of reduced tension. The trend toward tension and confrontation created by the imperialist forces, especially by the United States, remains very strong. It is too early to say, as a Western journalist observed following the Geneva summit, that Mr Reagan wished to conclude his 2d presidential term and his political life as the president of peace. It is Mr Reagan who has affirmed that he has got no illusion for a crusade against communism and socialism.

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CSO: 4209/212

INTERNATIONAL RELATIONS, TRADE AND AID

RADIO EDITOR REVIEWS LPDR ACHIEVEMENTS IN 1985

BK061326 Hanoi Domestic Service in Vietnamese 0015 GMT 6 Jan 86

["Article" by radio editor Duong Quang Minh]

[Text] The year 1985 was the last year of the LPDR's first 5-year plan. Right at the beginning of the year, the LPRP Central Committee's seventh plenum called on the entire party, army, and people of Laos to develop the tradition of unity and revolutionary heroism; heighten vigilance, the spirit of collective mastery, and self-reliance; and strive to emulate in productive labor in an effort to fulfill all the tasks set for 1985 in the seventh plenum resolution in order to welcome the 30th founding anniversary of the glorious LPRP and the 10th anniversary of the LPDR regime. The first thing that must be mentioned about the Lao people's whole year of struggle is that the system of proletarian dictatorship was further consolidated in another step from the central to local level, and the Lao people's revolutionary awareness was further enhanced. This is a sharp [word indistinct] of the entire party and people of Lao to firmly guarantee security and national defense and thwart all the schemes and acts of the imperialists, expansionists, and reactionary forces colluding with one another to bring pressure to bear on the LPDR in all fields--including the seizure by military force of three Lao hamlets in Pak Lai District, Sayaboury Province; the use of the fifth column; and economic encirclement.

In the field of production, the biggest achievement of the Lao people in 1985 was to increase the average per-capita grain output to the record high of 380 kg. The entire country produced 1.5 million metric tons of grain--a twofold increase over 1978. The scourge of famine that had long plagued the land of Laos could thus be considered to be put to an end. Laos was basically able to meet its own grain demand.

Important progress was made in industry and handicrafts. Compared with 1976, industrial production capacity at the central level doubled in 1985, with electricity increasing 2.7 times. The entire country has 300 state-run enterprises and thousands of industrial and handicraft establishments. With communication and transportation as the spearhead, last year many vital stretches of roads running the length of Laos or linking horizontally with the roads of Vietnam were restored or upgraded, bringing

the total length of roads newly restored and built in the country to 3,000 km. This also involved the restoration and building of 1,680 bridges.

Realizing that culture and ideology must go one step ahead, with education the central task, last year, Laos vigorously developed both formal and supplementary education after having basically eradicated illiteracy. In the 1985 school year, the entire country had 600,000 general education pupils and 19,000 college students. Along with this, hundreds of thousands of people were enrolled in supplementary education classes. The fact that one out of every four citizens went to school shows that the Lao people made great efforts to abolish poverty and backwardness, thus creating the conditions for pushing ahead the scientific and technological revolution.

In the field of external relations, the LPDR actively contributed to the militant solidarity and construction bloc of Laos, Cambodia, and Vietnam. It extended solidarity and all-round cooperation to the Soviet Union and other fraternal socialist countries and persistently pursued a foreign policy of peace, independence, and friendship with all countries, especially the neighboring countries. Through these efforts, the LPDR made extensive contributions to the struggle of progressive forces for peace, national independence, democracy, and social progress.

The Lao people ended the year 1985 with a massive show of force unprecedented in their history on the occasion of the 10th National Day of Laos. It can be said that the achievements recorded by the Lao people in 1985 as well as over the past decade eloquently testify to the clear-sighted lines of the LPRP, the revolutionary ardor of the Lao people in all walks of life, and the superiority of socialism. The sight of the Lao leaders standing shoulder to shoulder with the leaders of Vietnam, Cambodia, the Soviet Union, and other fraternal socialist and friendly countries in the world who came to Vientiane to share the joy of the Lao people on that historic festive day is new proof of the international solidarity accorded the fraternal Lao people in their undertaking to build and defend their glorious homeland.

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CSO: 4209/212

INTERNATIONAL RELATIONS, TRADE, AND AID

VPA GROUP IN LAOS RECEIVES HO CHI MINH ORDER

BK310835 Hanoi Domestic Service in Vietnamese 1430 GMT 25 Dec 85

[Text] On 22 December, cadres and combatants of Group B-24 of our army currently performing their international duty in Laos held a meeting to mark the 41st founding anniversary of the VPA and to receive the Ho Chi Minh Order.

Speaking at the meeting, the colonel commander of Group B-24 highlighted the glorious achievements scored by the group over the past 30 years, since its founding to date, especially during the anti-U.S. war of resistance for national salvation.

In 1977, implementing the Laos-Vietnam Treaty of Friendship and Cooperation, Group B-24 left for Laos to carry out its international duty there. Since then, working side by side with the fraternal Lao Army and people, the group has firmly defended the gains of the Lao revolution, built bases, ensured communications, and helped increase food production. Owing to the outstanding fulfillment of its tasks, the group has been commended and highly appreciated by the Vietnamese and Lao defense ministries.

On the occasion of the 40th anniversary of the SRV's 2 September National Day and the 30th anniversary of its founding, Group B-24 was awarded the Ho Chi Minh Order by our state. By order of the SRV Council of State, Vietnamese Ambassador to Laos Nguyen Xuan read the council's decision conferring the order on the group and solemnly pinned the coveted decoration on the group's traditional flag.

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CSO: 4209/211

PARTY ACTIVITIES AND GOVERNMENT

COUNCIL OF MINISTERS CHAIRMAN LAUDS PROVINCES

BK050508 Hanoi Domestic Service in Vietnamese 2300 GMT 4 Jan 86

[Text] According to the Ministry of Food, as of 30 November 1985 Dong Nai and Song Be Provinces had overfulfilled the 1985 grain procurement plan. On 3 January, the chairman of the Council of Ministers warmly commended the cadres and people of the two provinces for their active efforts in overfulfilling the plan.

The chairman of the Council of Ministers expressed his hope that the cadres and people of Dong Nai and Song Be will strive to step up the production of both rice and subsidiary crops in 1986 and will attach special importance to subsidiary crop production and processing and use subsidiary crops to balance the supply of grain, thereby contributing to overcoming the difficulties of the entire country regarding grain procurement.

According to another report by the Ministry of Food, as of 7 December Hai Province had overfulfilled the 1985 10th-month grain procurement plan and the 1985 grain delivery plan. On 3 January, the chairman of the Council of Ministers sent a message warmly praising the cadres and people of Hai Hung Province who had actively striven to overfulfill their grain procurement and delivery plans, despite the fact that some areas of the last crop were waterlogged.

The chairman said he hopes that the people of Hai Hung will strictly practice economization in grain consumption and zealously sell more grain to the state, thereby helping the entire country overcome the difficulties regarding grain supply caused by typhoons and floods.

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PARTY ACTIVITIES AND GOVERNMENT

COUNCIL OF MINISTERS ISSUES CIRCULAR ON TET

BK040859 Hanoi Domestic Service in Vietnamese 1430 GMT 2 Jan 86

[Text] The Council of Ministers has recently issued a circular guiding various organizations, sectors, branches, and the administration of provinces, cities, and special zones directly subordinate to the Central Government on preparing and organizing the celebrations of the Lunar New Year.

The Council of Ministers urges all organizations, enterprises, cooperatives, armed forces units, and party cadres and members to exemplarily motivate the people to practice thrift during the Lunar New Year. They should not extend their New Year holidays; they should avoid misuse of domestic animals and distillery of liquors by using grain. They must let out firecrackers according to the general regulation. They should not extend their leave of absence or celebrate too much.

The Council of Minister urges all sectors and echelons to strengthen their tasks on market and prices management, seriously punish speculators and smugglers, firmly maintain social order and safety; positively prevent fire, sabotage activities, and burglary; oppose superstition, gambling, and debauched life-style.

Various organizations and enterprises such as communications, postal service, transportation, civil aviation, hospitals, police, customs houses, tax collecting posts, banks, state-run trade shops, and electric power and water work stations must ensure continued service during the Lunar New Year. All state organizations must design a proper division of labor to promptly cope with urgent and unexpected tasks during the New Year. At the frontline, the armed forces and people must heighten their vigilance, organize combat alert, and strengthen combat readiness.

Various sectors and localities must carefully organize New Year celebrations for army units which are on duty at the border and on islands and which are carrying out their international obligations in Laos and Cambodia.

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CSO: 4209/212

PARTY ACTIVITIES AND GOVERNMENT

COUNCIL OF MINISTERS RESOLUTION ON SURVEY WORK

BK310719 Hanoi Domestic Service in Vietnamese 0500 GMT 31 Dec 85

[Text] The Council of Ministers has recently issued a resolution on intensifying the capital survey work to rationally use resources and protect the environment.

The resolution appraises the achievements of the capital survey sector in the fields of production development, scientific research, livelihood, and national defense. At the same time, it also points out the remaining work to be done in the areas of planning, investment, management, and use of resources and environment, and especially the damages to resources and environment in the course of exploitation.

The resolution sets forth the specific guidelines for comprehensively developing the basic survey work with oriented targets and, at the same time, for intensifying the general survey work in various regions and localities, especially those regions of strategic significance to the economy, and the basic survey of the socioeconomic situation in the sea zones and on the continental shelves in order to provide timely and accurate rules concerning the distribution, characteristics, and developments of various forms of resources and natural conditions to serve as a base for the formulation of socioeconomic strategy and technology plans as well as the zoning and planning tasks of various sectors and localities.

To promptly and effectively implement the survey work, the resolution sets forth such concrete measures as connecting the basic survey work closely with the rational use of resources and the protection of environment and establishing projects for economic planning and development, economic and technological dialectics of various projects.

There must necessarily be concrete measures to protect the environment, rationally use resources, actively oppose environmental pollution and war consequences, and prevent and control the harmful impact on the resources and environment in our country.

The resolution stresses the necessity of accelerating the scientific and technological research, the application of scientific and technological innovations, the investment in building the system of conservation, service, and

international cooperation; of adjusting the assignment of work and responsibilities and of formulating plans for the basic survey work, the rational use of resources, and the protection of environment.

We must consider the basic survey work, the rational use of resources, and the protection of environment as an important and urgent task and an inseparable organic part of the national cause of developing the economy and consolidating national defense and security.

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PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

HERO TITLE ON PHYSICIAN--In compliance with a recommendation by the Council of Ministers, on 30 December Chairman of the Council of State Truong Chinh signed a decision conferring the title Labor Hero on Professor Dr (Nguyen Thien Thanh), director of the Thong Nhat Hospital in Ho Chi Minh City. Professor Dr (Nguyen Thien Thanh), born in 1919 in Cuu Long Province, is a physician credited with many contributions to the development of the Vietnamese public health service, a medical scientist who has completed many valuable research projects, and a doctor who has wholeheartedly served the people. [From the review of NHAN DAN for 4 January] [Text] [Hanoi Domestic Service in Vietnamese 003 GMT 4 Jan 86 BK] /9738

CSO: 4209/212

ECONOMIC PLANNING, TRADE AND FINANCE

NHAN DAN CALLS FOR MORE GRAIN PRODUCTION EFFORTS

BK051524 Hanoi Domestic Service in Vietnamese 2300 GMT 1 Jan 86

[NHAN DAN 2 January editorial: "Every Locality, Every Region Should Step Up Grain Production"]

[Text] The resolution of the party Central Committee's ninth plenum and the Seventh National Assembly's 10th session once again laid heavy emphasis on grain production, considering it the No. 1 task of agriculture--the most important economic front. The grain output targeted for 1986 is fairly high as compared with the results achieved in 1985. It is the minimum we will need to stabilize the people's life and develop livestock breeding.

Attention must be given to the production of rice as it accounts for about 80 percent of the grain output and is taking place in all regions of the country. Experience gained from production over the years, especially the past 5 years, shows that along with multicropping and enlarging the cultivated area, it is necessary to stress intensive cultivation in all regions and arrange production and provide guidance in a selective manner to bring about high socioeconomic returns. First, it is necessary to rapidly increase production in areas having a high commodity ratio so that, as production develops, we can place under state control a large quantity of marketable products for distribution within the entire society. Investment should be made to carry out intensive cultivation in areas, crop seasons, and ricefields that are seldom subjected to adverse weather so that a steady output can be achieved regardless of the weather conditions.

For a number of areas where conditions for production are unfavorable but the local people are faced with difficulties in their life, assistance should be given them for stepping up production so they can strive to meet their own need for grain. The investment rate per metric tons of products in these areas may be high, but after subtracting transportation expenses and losses in transit, the overall result will offset the cost.

Setting up high-yield rice areas totaling 2 million hectares and broadly applying intensive cultivation techniques are tasks that must be carried out simultaneously in order to rapidly increase the paddy output during the planning year. Beside ricefields, every locality has land for planting subsidiary food crops. More attention must be given to subsidiary food

crops and starch-bearing crops so that full use can be made of agricultural lands as well as open forest lands to increase the grain output. The key factor for increasing the output of subsidiary food crops is to introduce technological progress into production and practicing intensive cultivation. This will increase the economic returns of food crop production and, consequently, encourage all collectivized units and families to plant food crops in areas not put under rice. By closely linking production with processing and circulation, we will increase the value of food crop products; by introducing food crop products into the people's daily diet and using them as feed for livestock, we will create conditions for developing the production of food crops. Food crops include many types suited to the lands and cultivation and consumption habits of each area; but efforts must be concentrated on further stepping up the planting of corn, sweet potatoes, and potatoes--crops that have been initially aided by technological progress and that can be planted on a larger area with higher yield, thereby bringing about better economic returns.

The results of grain production depend on the material and technical conditions readied for it. Water conservancy must be stepped up in all areas, first of all key rice-producing areas such as the Mekong River Delta and the Red River Delta. This is the most important material-technical basis of agriculture; it creates the conditions for broadly and rapidly applying the achievements of the biological revolution. By developing and consolidating the various systems of crop seed, including both rice and food crops, expanding the use of new strains that have been proven to be good, and at the same time, rescreening the varieties currently in use, we will contribute to increasing yields. Fertilizer and insecticides are indispensable factors for carrying out intensive cultivation and protecting crops. The amount of chemical fertilizer and insecticides currently available does not meet the demand of production. Therefore, it is necessary to make full use of the various sources of organic fertilizer and raw material obtained from living things to protect crops and to apply managerial and technical measures for increasing their usage efficiency. Nevertheless, it is important that every locality actively take the initiative in obtaining these essential supplies through export and import to meet the demand of production.

Developing the production of grain--including both rice and subsidiary food crops--and linking production with economical use of grain and control of the grain market constitute the most important task of all localities and production units. As an immediate step, efforts must be made to carefully harvest the winter crops and step up production in the winter-spring crop season with a view to overfulfilling the plan norms concerning area, yield, and output in order to start off the implementation of the 1986 state plan.

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CSO: 4209/212

ECONOMIC PLANNING, TRADE, AND FINANCE

BRIEFS

HAIPHONG CABBAGE TO USSR--On 20, 21, and 22 December, some 635 metric tons of cabbage in Haiphong were delivered to the Soviet ships. Thuy Nguyen District alone delivered 385 metric tons. The import-export company has purchased cabbage and quickly transported it to the port where a separate pier is reserved for the ships to berth and get the cabbage. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 30 Dec 85 BK] /12232

HANOI PRICES--The prices of commodities have recently developed complicatedly. The Hanoi party and people's committees have directed all sectors to rearrange and transform small merchants and closely supervise and control the selling and purchasing activities of privately run trade while the state-run trade and marketing cooperatives should strive to coordinate with one another to stabilize the prices of staple commodities. Since 25 December, the state-run trade has increased the sales of pork by 5 tons daily and of bean cake to 18-20 metric tons daily. Hundreds of metric tons of sea fish have also been marketed daily. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 30 Dec 85 BK] /12232

HO CHI MINH CITY--The party and people's committees of Ho Chi Minh City have intensified their managerial control of commodities prices set by small merchants and reorganized small merchants into retailing agents for cooperatives. The city food company has improved its business to increase the flow of vegetables into the city to 70 metric tons daily. Last week, some 70-100 percent of demands were met. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 30 Dec 85 BK] /12232

HA TUYEN NOMADS SETTLED--In 1985, some 30,605 nomads in Ha Tuyen Province have settled their life and farming, exceeding the plan norm by 17 percent. With the assistance of the party and administration at all levels and various sectors and mass organizations, the provincial Committee for Settled Life and Farming has established 10 population centers, and trained 533 cadres in the techniques of reclaiming virgin land, building ricefields and improving irrigation to help the local tribal people expand the cultivated area to 1,230 hectares, achieving 123 percent of the yearly plan norm. The tribal people have built 11 small and medium irrigation projects and 14 public welfare utilities to meet their requirements of education, housing, food, and production. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 29 Dec 85 BK] /12232

CSO: 4209/211

AGRICULTURE

AGRICULTURAL ACTIVITIES TO 25 DECEMBER REVIEWED

OW041401 Hanoi Domestic Service in Vietnamese 1100 GMT 30 Dec 85

[Text] According to a statistics general department notice, by 25 December, the southern localities had harvested more than 661,000 hectares of 10-month rice or more than 41 percent of the planted acreage. In general, the harvesting pace over the past week was quicker, with Song Be Province harvesting 80 percent of the planted acreage, Minh Hai Province 70 percent, Lam Dong Province 62 percent, and Dong Thap, Tay Ninh and Long An provinces less than 20 percent. These localities have achieved a yield of more than 30 quintals of early 10th-month rice per hectare including Hau Giang Province with a yield of 38 quintals per hectare.

Localities are currently concentrating on sowing the winter-spring rice. By 25 December, the southern provinces had plowed more than 618,500 hectares of riceland and sowed more than 448,000 hectares of winter-spring rice. The pace of plowing and sowing was quicker than in the same period last year. The fast provinces included An Giang, Long An, and Dong Thap. Long An plowed and sowed 80 percent of the planned acreage, and Tay Ninh Province less than 10 percent.

Over the past week, the northern localities continued soil preparation and aeration and fifth-month rice cultivation. By 25 December, they had completed soil preparation on more than 756,000 hectares or nearly 90 percent of the planned acreage as compared with the corresponding period last year. The pace of soil preparation was indeed slow. Nghe Tinh and Thai Binh Provinces basically completed plowing. Thanh Hoa and Ha Bac provinces plowed from 71 to 75 percent of the planned acreage, and Hai Hung and Ha Son Binh Provinces more than 50 percent. A large acreage of cropland was plowed by buffalo, oxen, and laborers of cooperatives. Hai Hung Province used tractors to plow a large acreage of land while other localities could plow only less than 10 percent of the planned acreage. Some provinces, including Ha Son Binh, plowed only 2 percent of the planned acreage.

Regarding the amount of fertilizers used for this rice crop, the Nam Bo Provinces surpassed plan norms by 7.5 percent, and the northern and Region 3 provinces by more than 55 to 62 percent.

Regarding veterinary work and livestock breeding owing to the proper supply of feed for cattle, the rate of buffalo killed or discarded as a result of natural calamities has been lower than before. The northern localities vaccinated 70 to 80 percent of the cattle herd, but the vaccination rate in the southern provinces remained low. Long An Province's vaccination rate reached only 20 percent.

The Ministry of Agriculture has urged the northern localities to accelerate soil preparation and aeration and fifth-month rice transplanting, quickly harvest winter crops, plant spring crops, and prevent and eradicate crop pests. As for the southern localities, they should quickly harvest the 10th-month rice and concentrate on sowing the winter-spring rice and tending to the transplanted rice.

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AGRICULTURE

BRIEFS

DISTRICT CROP SERVICE CORPORATIONS--The Ministry of Agriculture is directing localities to build district crop service corporations after having completed some pilot projects for renovating the organizational and managerial tasks in some localities. These corporations will be composed of vegetation or crop protection stations or companies, crop seed companies and agricultural supply companies. [Summary] [Hanoi Domestic Service in Vietnamese 1430 GMT 30 Dec 85 BK] /12232

VFF-FORESTRY MINISTRY CONFERENCE--On 30 December, the VFF Central Committee and the Forestry Ministry held a joint conference to encourage the people nationwide to continue afforestation and tree planting, protect forests, and develop garden economy. Huynh Tan Phat, the VFF chairman and Phan Xuan Dot, forestry minister co-chaired the conference. The conferees assessed the achievements in planting trees over the past years and asserted that forest destruction is still serious in many localities. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 30 Dec 85 BK] /12232

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